



THE JOURNEY OF **1000** SCHOOLS



THE CITIZENS FOUNDATION

LEGAL STATUS AND NATURE OF OPERATIONS

The Citizens Foundation ('the Foundation') was incorporated in Pakistan as company limited by guarantee on 24 September 1996 under section 42 of the Companies' Ordinance, 1984. The Foundation is principally engaged in establishing schools to promote education. The Foundation receives funds from cross sections of society within and outside Pakistan for building primary and secondary schools as well as for operation of schools. These donations are made by organizations, institutions and individuals.

The registered office of the Foundation is situated at Plot No. 20, Sector No. 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi, Pakistan.

Tax Benefit to Donor

Any donor can claim income tax credit on donation amount paid to TCF (Please refer page 20 for details)



VISION

Positive Change

To remove barriers of class and privilege to make the citizens of Pakistan agents of positive change.

MISSION

Quality Education

Through the power of quality education enabling moral, spiritual, and intellectual enlightenment.

Better Future

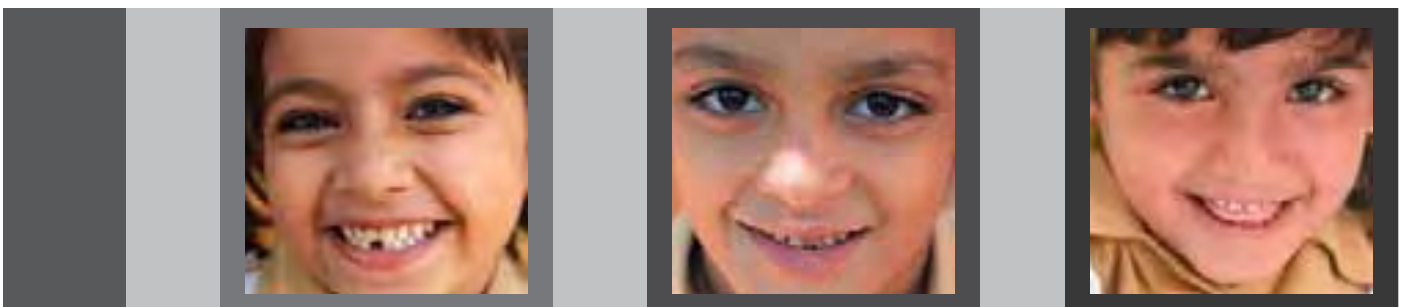
Creating opportunities to improve quality of life.

VALUES

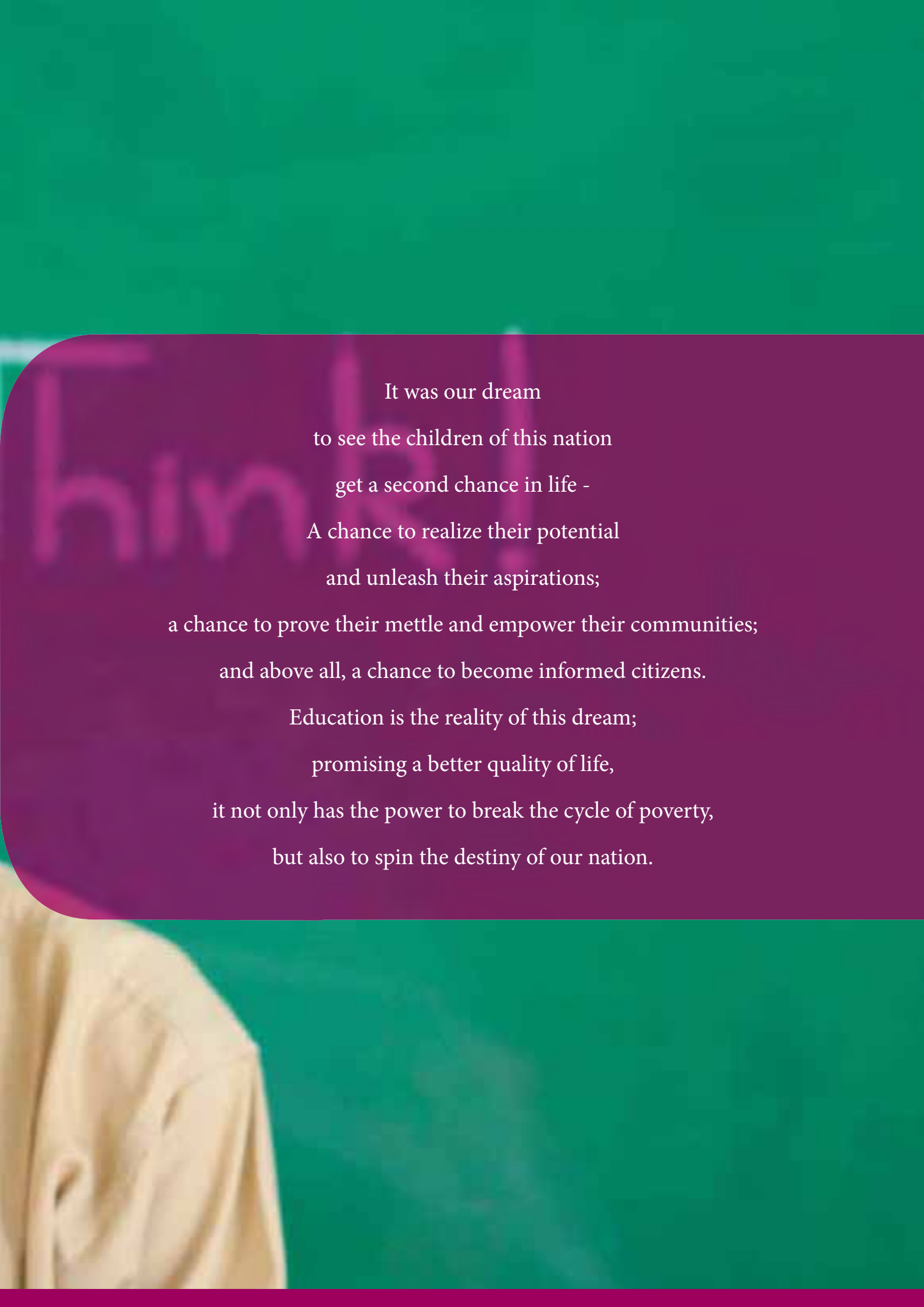
Integrity

Ownership

Continuous Improvement







It was our dream
to see the children of this nation
get a second chance in life -
A chance to realize their potential
and unleash their aspirations;
a chance to prove their mettle and empower their communities;
and above all, a chance to become informed citizens.

Education is the reality of this dream;
promising a better quality of life,
it not only has the power to break the cycle of poverty,
but also to spin the destiny of our nation.

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5.4 million

Children in Pakistan
between the age of 6 -11
are out of school*

**Pakistan ranks 2nd (after Nigeria) with most out-of-school children between ages 6 -11*

**Unesco Institute of Statistics, World Development Indicators and EFA Global Monitoring Report 2013/2014*



>300,000

Children in Pakistan whose lives
have been transformed by TCF in
the span of 18 years





WELCOME TO
THE CITIZENS FOUNDATION



Once there was a DREAM...

In 1994, a group of like-minded citizens sat down to brainstorm solutions to Pakistan's myriad problems. As they struggled to identify a single core issue that they could collectively address, they remained single-minded in their commitment to becoming agents of positive change. They knew they wanted to give back to Pakistan and set in motion a movement that would resonate with Pakistanis at home and abroad.

"We sat down with pencils and notebooks and independently made lists of all the issues afflicting our people and our country. When we combined our lists, we found that 'health' was right on top. The other issues our group identified included poverty, illiteracy, female disempowerment, intolerance, lack of access to capital, and a lack of vocational training institutions. It was interesting that each time we set out to identify the fundamental cause of each of these problems, the answer almost always came down to lack of education."

- Mushtaq Chhapra, Co-Founder & Chairman TCF

With a powerful vision and single-minded clarity of purpose, The Citizens Foundation (TCF) embarked on an ambitious journey to create 1000 Schools across Pakistan. Armed with years of experience in running and scaling up their own companies, TCF's founders strategically leveraged their strengths and approached the 'illiteracy crisis' from a management paradigm.

"Everything related to education is a step forward; whether it is under a tree, in a garage or in a tent."

However, we felt that since we ourselves are a product of formal education, we will build our institution along the same lines. We will create schools which are properly built, and not in a tent or basement. We were confident about our decision and there was never any hesitation or doubt regarding the path we had chosen."

- Ateed Riaz, Co-Founder

With an operating plan in place, not a day was wasted. Construction on the first batch of schools began in 1995. The founders funded the first five schools which were built simultaneously in 5 corners of Karachi. The schools were located in the city's worst-affected urban slums, with no access to electricity, sanitation, or clean water. An integral component of TCF's ethos is to test-drive new ideas, processes, and projects before the public is approached for any kind of support. Therefore, potential donors were not approached until the first five schools were up and running. The founders wanted to pilot their project, test their hypotheses, and iterate on the basis of their findings.

In the early days of TCF, people began to wonder whether parents would even send their daughters to school. The founders were steadfast in their approach and identified three root causes of gender discrimination within the framework of education. These were: gender of teachers, distance between homes and schools, and family size. The founders wanted to find a way to eliminate the choice posed to parents.



OUR FIRST 5 SCHOOLS

“If girls were not allowed to travel a vast distance, the schools would be brought to them. TCF would adopt a ‘pay as you can afford’ policy so that no parent would have a valid reason to not send their child to school, and up to 20 children per household would be able to study on a single fee. The reason we kept a fee was so that the students never had to feel they were studying on people’s charity and could hold their heads up high. Additionally, we would only hire female teachers.”

- Ahsan Saleem, Co-Founder

“We came across a woman who told us she would not send her daughters to school if there would be male teachers there. And then it struck us all. It was a simple yet profound idea and looking back now, after completing the 1000 Schools milestone, I think that this has been the mainstay of TCF’s success, and the primary reason for our progression. The gender balance was being met, and it was a win-win situation in every aspect.”

- Mushtaq Chhapra, Co-Founder & Chairman TCF

After the success of the first five schools, another ten schools were built in Karachi by 1996. TCF’s founders now felt it was time to branch out and the next destination was Lahore. Mr. Mushtaq Chhapra recalls that the principal of a nearby government school approached a TCF principal and asked him to enroll his children in TCF School. The trust and confidence that communities invested in TCF was a source of energy and reassurance to everyone associated with the organization. Community leaders from more and

more villages across Pakistan started contacting TCF to build schools in their districts.

TCF’s first school in interior Sindh was built in Dharki in 2000, followed by the first school in Balochistan in 2005, located in Gwadar. Although construction, human resource planning and allocation in remote locations stretched TCF’s capacity to the limit, Balochistan now has over 55 TCF Schools. The initial hurdles of inflated costs owing to the paucity of contractors, labourers, and teachers did nothing to deter progress and instead gave these Baloch communities a sense of hope and encouragement.

“We were told by one of the initial donors of a school, in a far-flung locality in Balochistan, that the school was the very first tangible thing to have happened there.”

- Ahsan Saleem, Co-Founder

Once just a dream, TCF today is an inclusive movement; it is a shared vision for students, faculty, donors, volunteers and the communities alike.



Then there was a JOURNEY...



Sumaira Batool

Secondary Teacher | Bhai Pheru, Lahore

“I’ve spent 15 years with TCF, and I love the peaceful and supportive environment it provides to its students and teachers. Even though I sometimes find it difficult to balance my home-life with my work-life, just the thought of ever having to leave TCF seems impossible. I really enjoy teaching my children. It’s hard to believe that it has been so long!”



Ghulam Zuhra

Aya | Khushab, Shahpur

“This is my 14th year with TCF. It doesn’t feel as if it’s been so long! The principal and teachers have been so kind to me, and I love helping out in a place that is doing so much for these deserving children. It makes me feel that I am doing more than just a job, more than just earning money. I see the difference that is being made and it makes me happy.”



Sanobar Javed

Senior Principal | Malir, Karachi

“I’ve been interested in TCF’s philanthropic work since the very beginning. My journey with TCF is now 18 years strong. I’m a staunch supporter of TCF’s cause and have seen the transformation in these children’s lives. I remember that several years ago, a student of mine was being forced to leave school, as it was unconventional for a soon-to-be married girl to be out of the home. I called in her parents as well as her in-laws and assured them that she would be in good hands. The girl has gone on to complete her bachelors and is now a teacher in TCF! It’s reasons like these that make my work so rewarding.”



“TCF has been a big part of my life since the very beginning; its vision has become my vision. I started off in 1996 at the Machar Colony Campus, and I can never forget the time I spent there. The other teachers and I poured all our energies into our work. Every day, for two weeks, we visited houses in the area and physically brought the children back to school with us. We bathed and clothed them, and taught them basic hygiene. Sometimes their parents would close their doors on us, saying that their main worry was getting food on the table, and that they did not have the luxury of thinking about education. But we counseled them regularly until they agreed to send their children to school. We started off with a single School Unit, and we now have 8. It was a challenging time, but perhaps one of the most gratifying experiences of my life.”

THE COMMUNITY HELPS TCF GROW

There is a constant air of astonishment surrounding how TCF's 1000 School Units have managed to remain largely unharmed. The main reason for this is that TCF is an inclusive system; right from the education system to its relationship with its teachers, volunteers, donors, supporters and well-wishers. Moreover, TCF makes it a point to consult and include community elders every time a change is being made or a new location is being identified, so they do not feel threatened or feel the need to resist. It gives them a sense of ownership and extends a beacon of hope.

With a few exceptions, on the whole TCF Schools are treated as sacred institutions within their communities; many of these people would protect the school over their own houses. For instance in December 2007, a violent mob in Karachi set out to create unrest within the city and five TCF Schools were targeted. While one school was damaged, four schools were protected by community members who stationed themselves outside the campuses and refused to let the mob vandalize the property. In another incident in 2010, severe floods in Basira, Muzaffargarh caused water to rush into a TCF School. Before any significant damage could be done to the school's furniture, the gate-keeper single handedly moved it all from the ground to the first floor. In the midst of his efforts, he ended up losing his own house to the flood.

STORIES OF RESILIENCE

In the first few years of TCF's inception, there were several profound events highlighting the strife of our country's children. One such story which tugs at the listeners' heartstrings, involves a boy of about 12 years of age, who came to our school 10 years ago.

"A 12 year old boy was arguing vehemently with a TCF School principal. He desperately wanted to study but couldn't afford to pay the tuition fee. His father had passed away and the young boy suddenly found himself the head of the family. He started selling popsicles (*gola ganda*) outside the school, making Rs. 60 each day. He would put Rs. 40 back into the business to replenish inventory and used the balance to buy vegetables for his younger sister and visually impaired mother. They would skip breakfast and lunch and just survive on tea. After school, he and his sister would cook the vegetables and place them in front of their mother. She would ask them if they'd eaten and they'd say yes. They survived on scraps that would fall out of her plate." | **Mushtaq Chhapra - Co-Founder & Chairman TCF**

"Riffat, the eldest of three siblings, was always at the top of her class. Suddenly her grades began to slip. One day we discovered that her mother had passed away and her father had abandoned them. Overnight, at the tender age of 13, she had to take on the duties of a mother. The teachers pooled in to buy her a sewing machine and she would stay up all night stitching clothes. With that income, she would put food on the table for her siblings and attend school during the day. Sheer pressure and anxiety took its toll on her grades. A number of people were willing to help financially, but we tried to help them out covertly, by providing useful assets that would always be with them. In situations like these, one should only be handed things that can't be taken away." | **Ahsan Saleem - Co-Founder**

"When I went to a TCF School for the first time, I went into one of the classrooms and saw a pretty little 12-13 year old girl with a dupatta on her head. She was sitting right in front, with very young children surrounding her. She stood out to me because she was sitting in a nursery class. I went up to her and asked her why she was there. She replied, "My life has changed. I was married to an old man and I became a widow at 11. My life was over. But my mother brought me back from my in-laws' house; she told me to study and put me in school. I'm so happy now." Imagine!

You know, a lot of Rahbars have become STCF members also. TCF is something that once you join, you're hooked. Even people who no longer work with TCF always have that feeling of belonging somewhere." | **Nilofer Saeed - STCF Director**



It's Time To Dream **MORE!**

TCF Next

Now that TCF has reached a milestone of establishing 1000 School Units all over Pakistan, people need something tangible to look forward to.

“We have promised our children that we will see them through. We have a very strong bond with our children. We didn’t have the luxury of planning at the start. Initially we had thought we would make primary schools, and kids would go on to government schools after Grade V. But it didn’t happen like that. After grade V, we started making secondary schools. And after Matric we wanted to give them counseling and guidance for colleges. After passing Intermediate, we feel that the children are mature and self-sufficient Alhamudillah. So our commitment to our kids is that we will strive to correct the current imbalance in primary and secondary schools.”

- Mushtaq Chhapra, Co-Founder & Chairman TCF

TCF’s journey has not remotely reached its end. Now, TCF is planning on reaching a target of about 1300-1350 School Units and is committed to significantly increasing its impact.

“We currently have an enrolment of 150,000 children, and we want to multiply it 10 times. We are running pilots on this and we will proceed as soon as they have an outcome.”

- Ahsan Saleem, Co-Founder



Agents of Positive Change

MANSOOR AND MAIRAJ AHMED

Infaq Campus Alumni, Rehri Goth - Bin Qasim Town, Karachi

The two friends, Mansoor and Mairaj, both joined TCF in 2002 in Grade I, when the first TCF Campus was inaugurated in Rehri Goth. They had previously been studying in a local government school, but transferred to TCF and studied there till the very end until they cleared their matriculation exams.

“I really admired everything about my school, from its teachers and syllabus to its environment and people. At the time when our TCF School was built, there was little prior awareness of education in our area. We were brought up in a community where fishing was the main source of livelihood, being passed down for generations. The need for education was therefore a far-fetched concept. People reasoned that the fate of their children was already sealed, and they were destined to follow in their parents’ footsteps. Our people didn’t understand the need for formal education until it was actually well within their means and reach. Since then, I’ve seen an immense change in the mind-set of my community members; the same people who didn’t believe in the need to educate their children are now strong supporters of the cause.”

- Mansoor Ahmed

After Matriculation, Mansoor and Mairaj completed their intermediate degree from Infaq Foundation’s Korangi Academy and are currently pursuing their bachelor’s degree at National University of Computers and Emerging Sciences (FAST-NU), one of Karachi’s renowned higher education institutions, on a TCF scholarship.

“I remember it was just 7-8 of us who joined TCF initially, because at that time people were very resistant to change. It amazes me to think how things have changed here. Now mostly all the boys and girls here are going to school! We are the very first people in Rehri Goth to reach university! And now we are treated with so much respect and admiration; people want to know what it’s like in a world outside Rehri Goth. I can never thank my teachers enough for what they have done for my community, going door-to-door recruiting children and counseling parents, but their struggles have paid off in a big way. And now we want to take their efforts forward and help out in any way we can.”

- Mairaj Ahmed



HALEEMA AND AZEEMA SADIA

Al-Amin Campus Alumni, Juma Himayati Goth - Cattle Colony, Karachi

Haleema and Azeema together, have managed to bring about a very significant change in the mindset of people in their community, and break free of a very obstructive and regressive social barrier.

“When we transferred from our local community school to TCF, I was in IX and Azeema was two years my junior. It was a drastic change for us, but though we had to work twice as hard just to catch up, it was a great blessing to have a school, and teachers who cared for our betterment. I was worried because I had Matric exams, and didn’t know if I would be ready. I remember studying 8-9 hours every day after school, and staying back to get extra help from my teachers.”

- Haleema Sadia

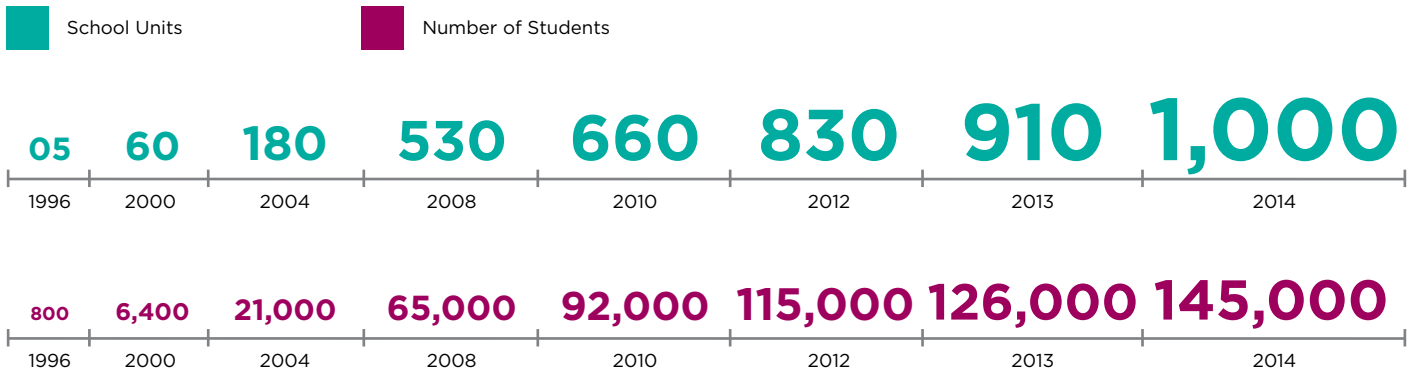
But despite the challenging transition, their hard work and perseverance paid off when they both excelled in their Matric exams, with Haleema coming in at the top of her entire grade. After her Intermediate degree, Haleema applied for admission at Bahria University. She was the eldest amongst her siblings and the first girl in her community to go to school and university. She would commute two hours each way on the bus, and come back home alone after dark. Though her father and grandmother worried for her safety and discouraged her studies, she was committed to completing her degree, and also encouraged Azeema to join her. They both graduated from Bahria University and are now happily working in renowned institutions. Haleema is currently working with TCF’s HR department, completing her masters simultaneously, and Azeema was offered a lecturer position at the university after graduation.

Haleema, Azeema and their younger siblings, who also study at TCF, have become inspirations for the people in their community. Parents in their neighbourhood who were previously dead-set against sending their daughters to schools and universities, are now whole-heartedly willing to do so. Haleema and Azeema actively counsel neighbourhood mothers and motivate them to educate their daughters, using their own academic and professional successes as examples. They feel it is important to give back to the community, and they do this by guiding and advising its youth. Haleema and Azeema are leading by example, and paving a smoother path for the girls of tomorrow.

TCF Statistics

Growth Pattern

This graph reflects the way TCF has progressed over the years in terms of School Units and student strength.



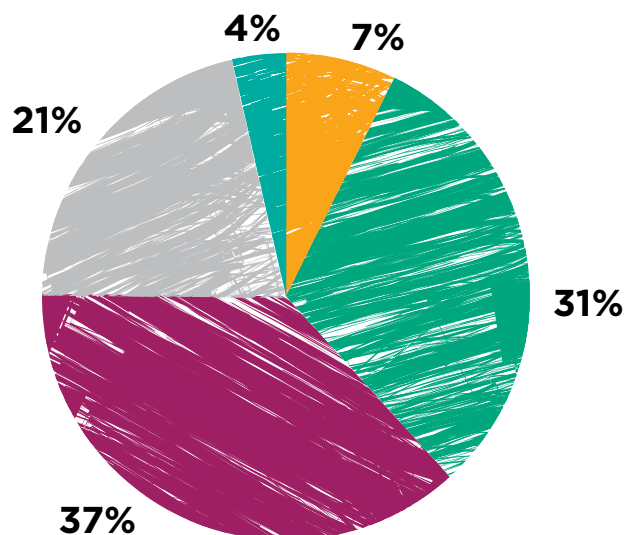
Receipts Pattern

This graph containing receipts pattern includes donations for school support, children education (KG to Matric), building schools and other incomes*. Donations received for TCF relief operations are not reported in the graph.

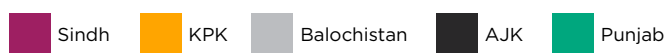


*for the past 10 years

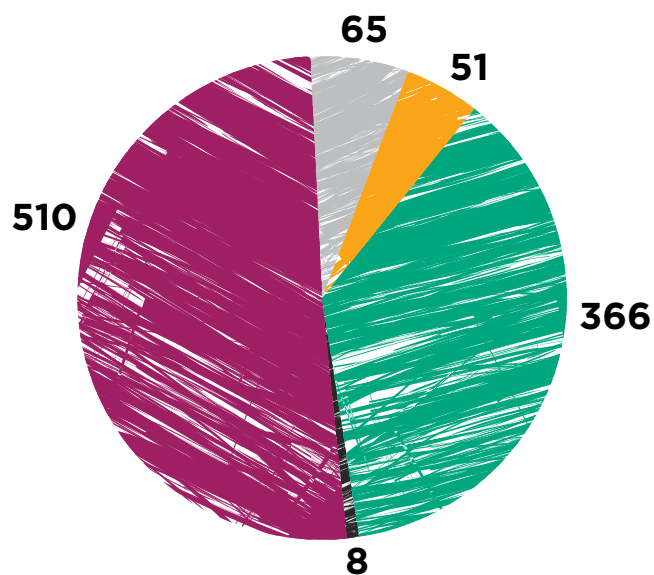
Grade-wise Break Up of Matric Students 2013-14



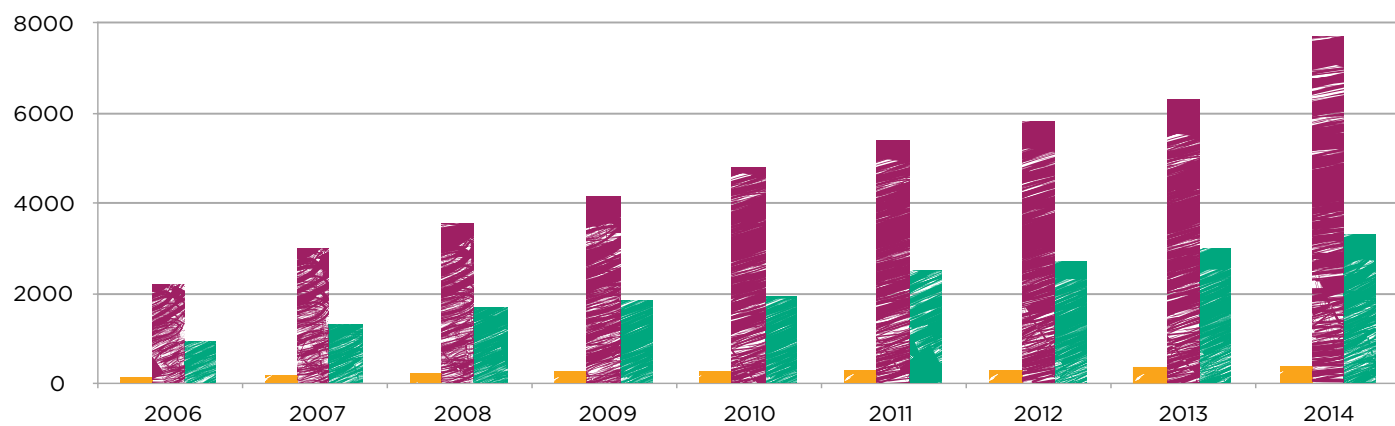
Provincial Break Up of TCF Schools



**for 1000 School Units*



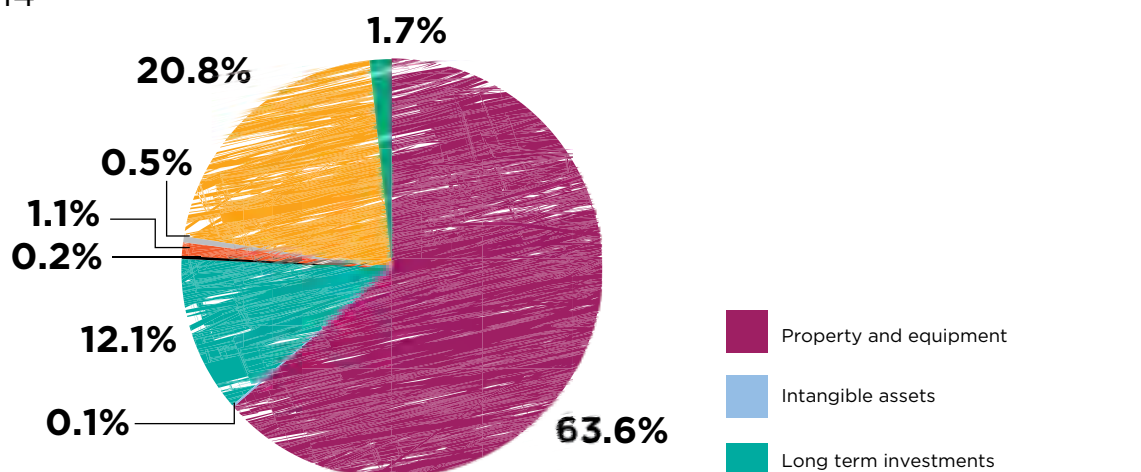
Growth Trend in TCF Staff



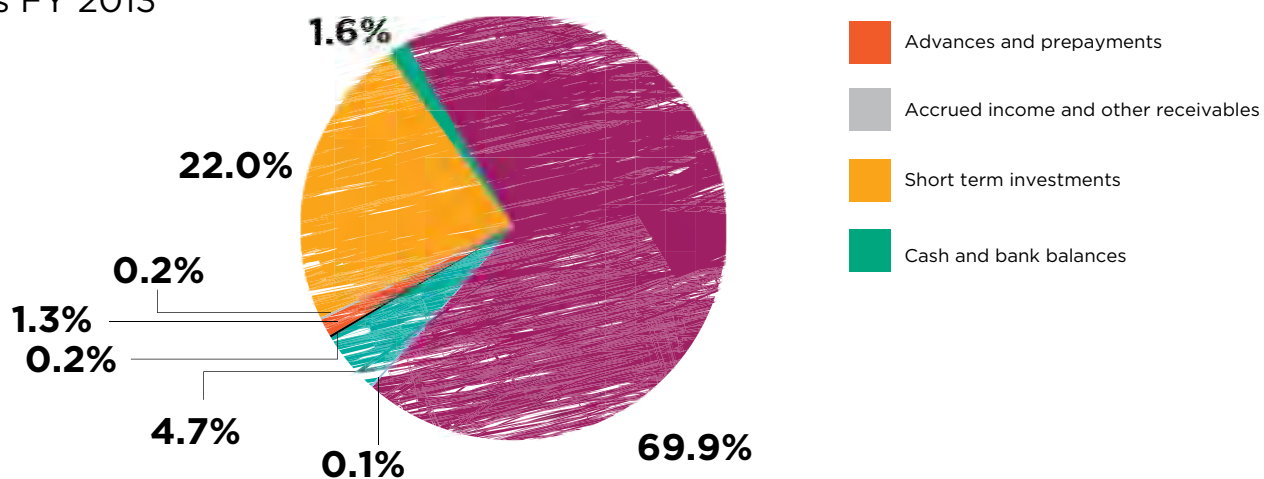
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Office Staff	138	190	230	260	270	280	300	271	299
Faculty Staff	2200	3000	3550	4150	4800	5400	5800	6,592	7,834
Non-Faculty Staff	925	1300	1685	1850	1930	2500	2700	3,292	3,296

Graphical Presentation of Balance Sheet

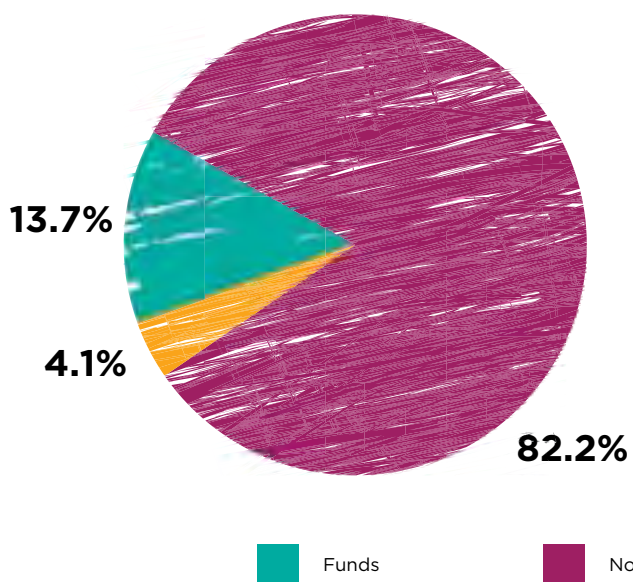
Assets FY 2014



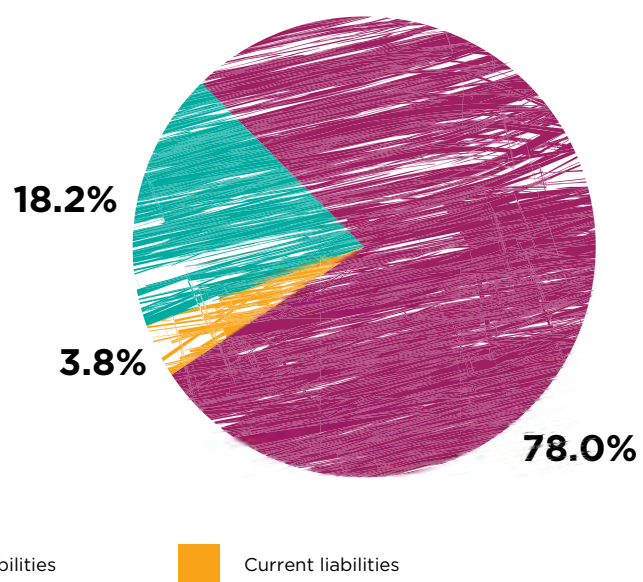
Assets FY 2013



Funds and Liabilities FY 2014

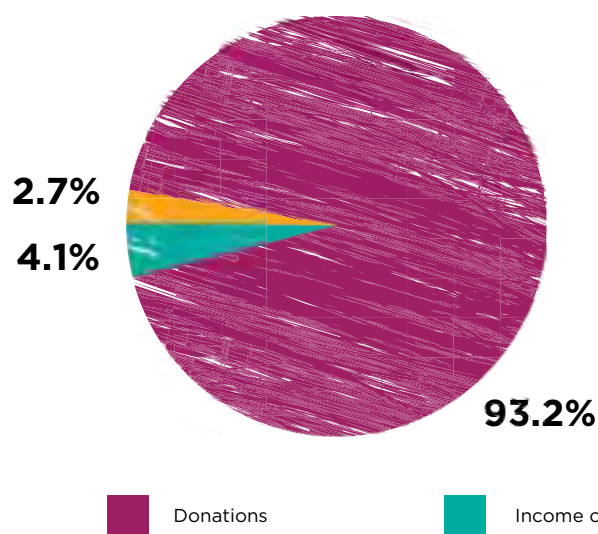


Funds and Liabilities FY 2013

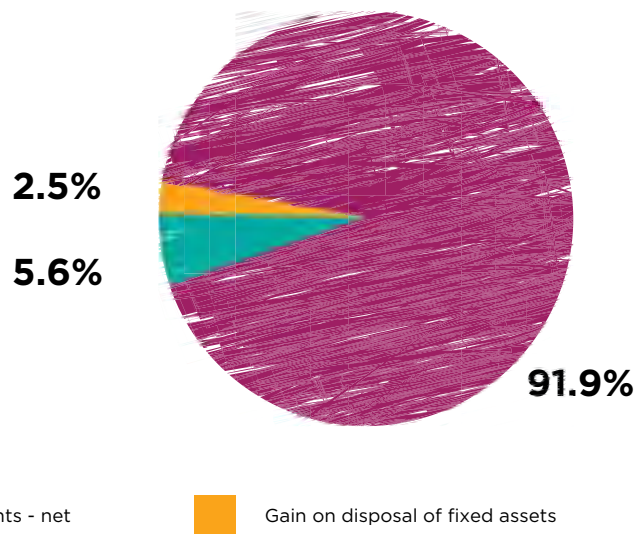


Graphical Presentation of Income and Expenditure Account

Income 2014

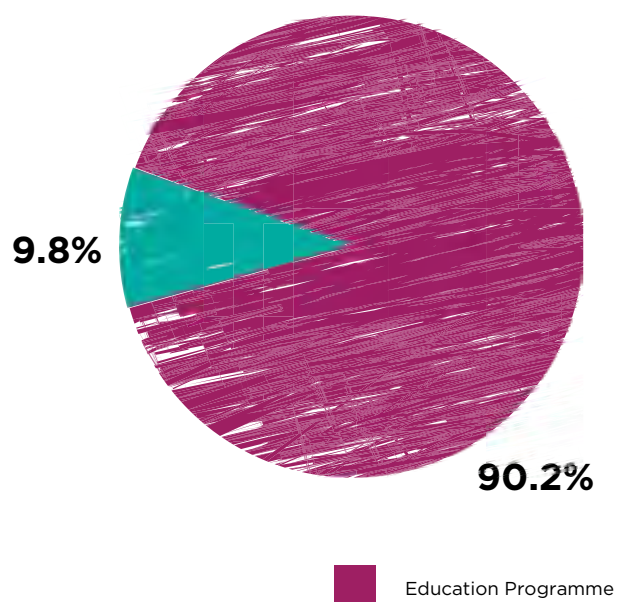


Income 2013

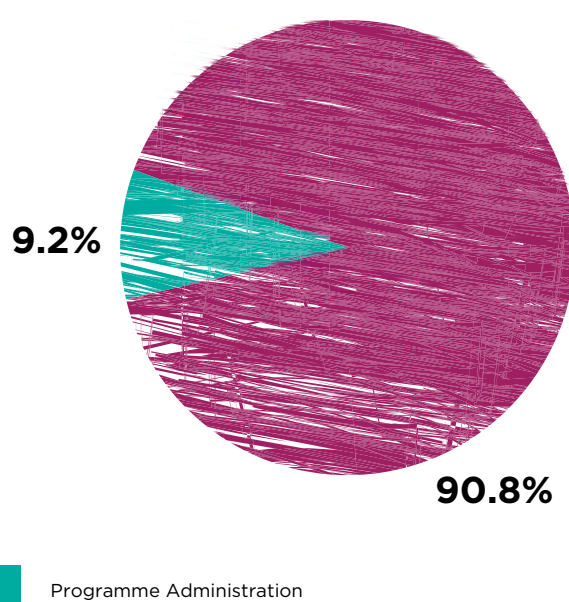


Education Programme includes all expenses directly related to school education.
Programme Administration includes all administration expenses of the head office.

Operating Expenditure FY 2014



Operating Expenditure FY 2013

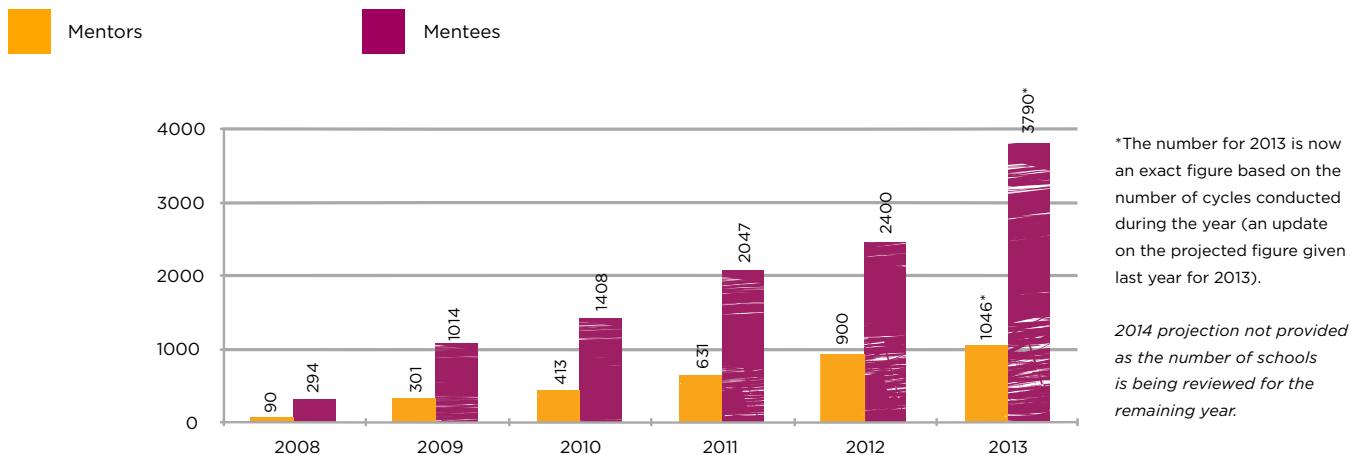


*FY is denoted as Financial Year

TCF Programmes' Statistics

Rahbar

A Mentorship Programme aimed at the development of youth as responsible individuals and productive members of the society.

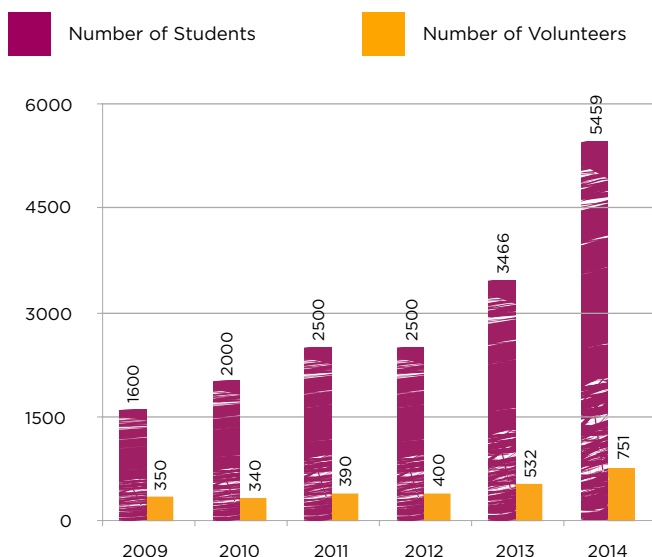


Aagahi

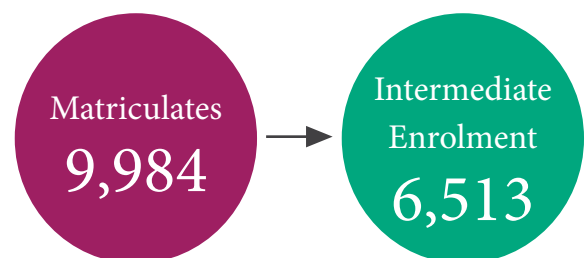
Aagahi is an Adult Literacy Programme for women belonging to the rural and urban slums around TCF Schools.



Summer Camp



Alumni Breakdown upto 2014



Annual Average of up to 70%*

Up to 2014, 629 TCF students have availed scholarships for either 2-3 year Bachelor degrees or 4-5 year Professional programmes**. This number is only indicative of those students who receive scholarships and not of those who are enrolled in such degrees.

*This varies each year and corresponds to the respective Matric batch.

**A large number of tertiary scholars opt for 2-3 year Bachelor degrees.

TCF Presence

Sindh

Jacobabad
Daharki
Rato Dero
Khairpur
Gambat
Saleh Pat
Johi
Moro
Naushahro Feroze
Sehwan
Qazi Ahmed
Pacca Chang
Nawabshah
Hala
Digri
Matiali
Sanjhoru
Jamshoro
Mirpur Khas
Hyderabad
Tando Allahyar
Kotri
Latifabad
Matli
Tando Mohammad Khan
Bulri Shah Karim
Thatta
Mirpur Sakro
Shaheed Fazul Rahu
Badin
Garho
Ghora Bari
Keti Bandar
Jhangesar
Dadu
Kandhkot
Larkana

Karachi

New Karachi
Saddar
Gadap
Korangi
Bin Qasim
Landhi
Malir

Orangi

Keamari

Punjab

Attock
Pindi Gheb
Sohawa
Chakwal
Talagang
Islamabad
Mianwali
Isa Khel
Choa Saidan Shah
Khushab
Shahpur
Sillanwali
Pind Dadan Khan
Bhalwal
Chiniot
Narowal
Gujranwala
Ferozwala
Sheikhupura
Kot Radha Kishan
Kasur
Faisalabad
Jaranwala
Mirzewala
Samundri
Jhang
Khanewal
Mian Channu
Burewala
Vehari
Taunsa Sharif
Kot Addu
Muzaffargarh
Koth Mithan
Lodhran
Bhawalpur
Rajanpur
Rahimyar Khan
Rawalpindi
Taxila
Pattoki

Lahore

Chunian
Nishtar Town

Balochistan

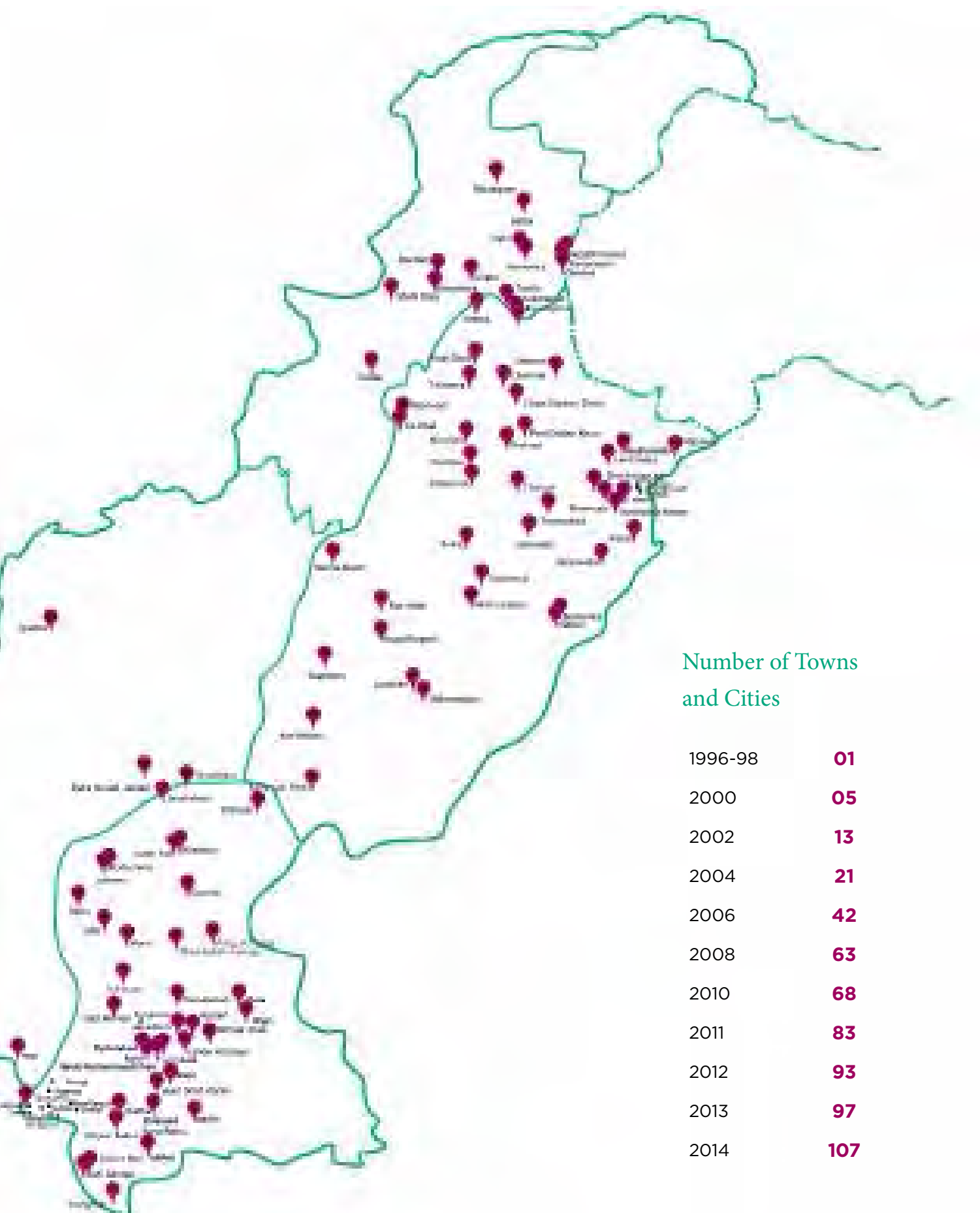
Quetta
Dera Murad Jamali
Vinder
Hub
Gadani
Gwadar

Khyber Pakhtunkhwa

Battal
Oghi
Battagram
Mardan
Muzaffarabad
Rawalakot
Dhirkot
Mansehra
Swabi
Nowshera
Shahi Bala
Karak



107 Towns and Cities across Pakistan





Please Turn Over



Financial Highlights

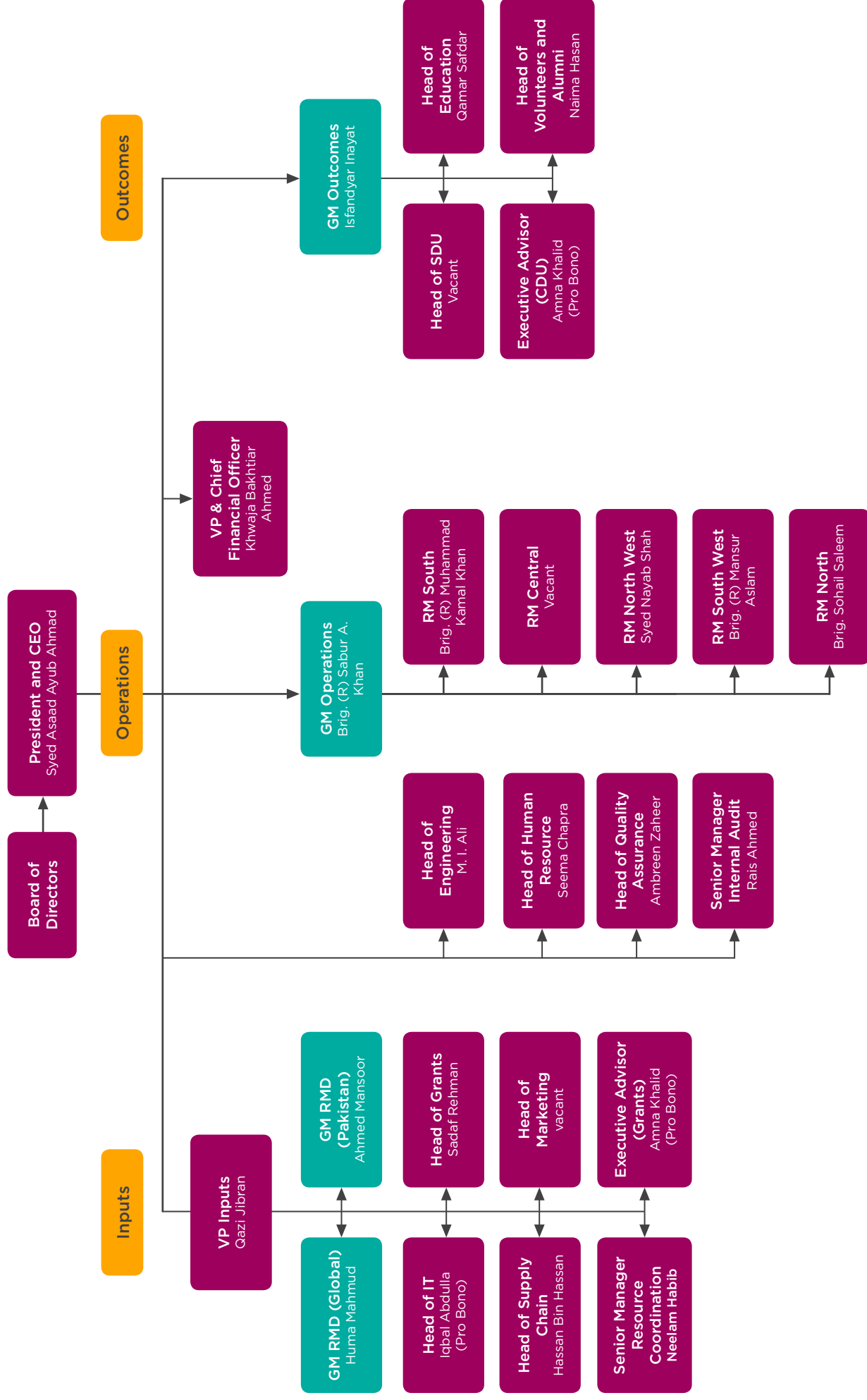
Six years financial and operating information at a glance (2009-2014)

	2014	2013	2012	2011	2010	2009
Operating Results (Rupees in million)						
School support donation	1,641.9	1318.2	1,120.4	900.5	693.0	568.1
Other income	120.2	116.0	127.1	79.0	24.4	38.3
Education programme expenses	1,627.9	1318.7	1,083.6	889.9	648.6	594.5
Administrative overhead	177.8	133.7	106.3	90.0	86.9	59.9
Surplus (deficit) of Education programme operations	(43.6)	(18.2)	57.6	(0.5)	(18.1)	(48.0)
Financial Position (Rupees in million)						
School Land and building	3,152.3	2,801.3	2,553.9	2,289.3	2,152.0	1,952.5
Other non-current assets	1,336.9	759.2	549.1	450.0	318.7	302.8
Current assets	1,424.6	1193.6	932.3	761.9	373.7	201.3
Total assets	5,913.8	4,754.1	4,035.4	3,501.2	2,844.4	2,456.6
Capital fund	2.2	2.1	1.5	1.5	1.4	1.3
General and other funds	808.2	861.1	803.2	775.0	761.0	780.9
Endowment fund	972.9	356.4	184.2	132.8	101.0	69.3
Deferred Income	3,890.4	3,353.6	2,897.9	2,490.7	1,935.4	1,557.3
Current liabilities	240.1	180.9	148.6	101.2	45.6	47.8
Total funds and liabilities	5,913.8	4,754.1	4,035.4	3,501.2	2,844.4	2,456.6
Expense Pattern						
Education programme	90.2%	90.80%	91.1%	90.8%	91.5%	90.8%
Programme administration	9.8% 100%	9.20% 100%	8.9% 100%	9.2% 100%	8.5% 100%	9.2% 100%
Key Financial Ratios (In times)						
Current ratio	5.9	6.6	6.3	7.5	8.2	4.2
Cash to current liabilities	0.6	1.2	1.0	1.7	7.4	3.3
Cash Flow Summary (Rupees in million)						
Cash flows from operating activities	(319.0)	(201.8)	(96.9)	46.8	39.4	12.5
Cash flows from investing activities	(1,259.1)	(761.3)	(737.2)	(928.2)	(367.8)	(405.2)
Cash flows from financing activities	1,601.4	972.9	728.0	720.1	495.0	407.0
Increase / (decrease) in cash and cash equivalents	23.3	9.9	(106.1)	(161.3)	166.6	14.3
Other data (Rupees in million)						
Foreign exchange remittance (Pak Rupee equivalent) for all donations received	1,695.0	1,079.3	962.0	851.0	680.0	519.0
Tax deducted and deposited into government treasury as withholding tax agent	36.5	33.3	36.0	30.0	24.0	23.0

Benefit to Donor - Tax Exemption for The Citizens Foundation

The name of The Citizens Foundation is enlisted in clause (ia) of clause (61) of Part 1 of Second Schedule of Income Tax Ordinance, 2001. Effective 01 July 2012 an individual or association of persons can avail payment of any donation amount to The Citizens Foundation as admissible deduction up to thirty percent (30%) of their taxable income of the year. A company can avail payment of donation amount to The Citizens Foundation as admissible deduction up to twenty percent (20%) of its taxable income of the year.

TCF Organogram





TCF Management

Front row (Sitting left to right): Iqbal Abdulla, Isfandiyar Inayat, Shazia Kamal, Rahila Fatima, Brig (R) Sabur Ahmed Khan, Syed Asaad Ayub Ahmad, Brig (R) Sohail Saleem, Seema Chapra, Ambreen Zaheer, Qamar Safdar, Ahmed Mansoor

Second row (Standing left to right): Syed Nayab H. Shah, Hassan Bin Hassan, Brig (R) Muhammad Mansur Aslam, Sadaf Rehman, Amna Khalid, Saira Nazneen Ibrahim, Naima Hasan, Neelam Habib, Huma Mahmud, Qazi Jibran Ahmed, Khwaja Bakhtiar Ahmed, Brig (R) Muhammad Kamal Khan

Chief Executive Officer
Syed Asaad Ayub Ahmad

Head of Grants
Sadaf Rehman

Senior Manager SDU
Rahila Fatima Shakil

VP/CFO and Company Secretary
Khwaja Bakhtiar Ahmed

Senior Manager Internal Audit
Rais Ahmed

Senior Manager Donor Relations
Neelam Habib

VP Inputs
Qazi Jibran

Regional Manager North West
Syed Nayab Shah

Executive Advisor Grants & CDU (Pro Bono)
Amna Khalid

GM Outcomes
Isfandiyar Inayat Khan

Head of Engineering
M. I. Ali

Advisors (Pro Bono)
Aneesa Naviwala, Shamshad Nabi, Irfan Ali Hyder, Qaiser Mian and Javed Malik

GM Operations
Brig. (R) Sabur Ahmed Khan

Head of Human Resource
Seema Chapra

GM Resource Mobilization (Pakistan)
Ahmed Mansoor

Head of Quality Assurance
Ambreen Zaheer

Legal Advisors
Faisal Mahmood & Co. (Pro Bono)
Roshan Zamir & Co.

GM Resource Mobilization (Global)
Huma Mahmud

Head of Education
Qamar Safdar

Shariah Advisor
Mufti Ibrahim Essa

Regional Manager South
Brig. (R) Muhammad Kamal Khan

Head of IT (Pro Bono)
Iqbal Abdulla

External Auditor
KPMG Taseer Hadi & Co.

Regional Manager South West
Brig. (R) Muhammad Mansur Aslam

Head of Volunteers and Alumni
Naima Hasan

Regional Manager North
Brig. (R) Sohail Saleem

Head of Supply Chain
Hassan Bin Hassan



Board Of Directors & Its Committees

Board of Directors

TCF's Board consists of eleven Directors including CEO. Board is headed by Chairman elected amongst the directors who meet regularly to provide guidance and support to the organization. Five meetings of the Board of Directors were held during the financial year ended on 30 June 2014.

Governance and Nominating Committee

The Committee is formed to evaluate the effectiveness of the Board and to assist the Board in the discharge of its functions as well as to ensure compliance with the governing principles of TCF. In addition, it evaluates and recommends/nominates qualified candidates for Board membership, structuring, reviewing and monitoring individual or collective responsibilities of the Board and its members. The Committee is formulated to take a leadership role in shaping the code of business for TCF (governing principles) and to keep it aligned with International Best Practices. The Committee shall consist of at least five members. One meeting of the committee was held during the financial year ended 30 June 2014.

The Executive Committee

The Executive Committee is an Apex Committee of the Board which devises the strategic goals of the Foundation and keeps the members updated on all the projects and progress of operations of TCF. To keep the Directors updated with the projects and progress of the operations of TCF and to assist the Board in advising TCF management for overall improvement. The EC comprises of five members.

Audit Committee

The purpose of the Audit Committee is to assist the Board in fulfilling its financial reporting responsibilities and for overseeing that there is a sound system of internal control and a sound internal audit process. The Committee will also monitor TCF's compliance with applicable Regulations and laws. The Committee shall consist of at least five members.

Human Resources and Remuneration Committee

The purpose of the Human Resource and Remuneration Committee (“the Committee”) is to assist the Board in reviewing human resource and remuneration policy as well as improving and monitoring compliance with such policy. A key aspect of such review will necessarily involve establishing a plan of continuity and development of senior management for TCF. The Committee shall consist of at least five members. Two meetings of the Committee were held during the financial year ended 30 June 2014.

Resource Mobilization Committee

The purpose of the Resource Mobilization Committee (“the Committee”) is to assist the Board in reviewing and monitoring the performance of the resource mobilization department and at a macro level, reviewing and improving resource mobilization strategy. The Committee shall consist of at least five members. One meeting of the Committee was held during the financial year ended 30 June 2014.

Investment Committee

The purpose of the Committee is to assist the Board in overseeing TCF’s investment management activities and recommending to the Board a framework within which TCF’s treasury team can operate. The Committee shall consist of at least three members. During the year ended 30 June 2014, two meetings of the Committee were held.

Procurement Committee

The purpose of the Procurement Committee is to assist the Board in reviewing the procurement of goods and services for the organization, and monitoring and improving procurement decision making and policy. The Committee shall consist of at least four members. One meeting of the Committee was held during the financial year ended 30 June 2014.

Technology Steering Committee

The purpose of the Committee is to oversee the IT related activities and provide guidance for effective implementation of projects. The Committee shall consist of at least five members. One meeting of the Committee was held during the financial year ended 30 June 2014.



Directors' Report

The Directors of the Foundation have the pleasure in submitting their report together with the audited financial statements of the Foundation for the year ended 30 June 2014.

We are grateful to the All Merciful, with whose benevolence we have collectively been able to progress and maintain our credibility. We would like to thank all TCF Donors and Supporters who have helped us come this far. Supporters of TCF across the globe are spreading awareness and new members are constantly joining TCF family.

Key Operating and Financial Data of Last Six Years

Financial Highlights (Rs. in million)	2014	2013	2012	2011	2010	2009
School Support Donation	1,642	1,318	1,120	901	693	568
Education Programme Expenses	1,628	1,319	1,084	890	649	595
Total Assets	5,914	4,754	4,035	3,501	2,844	2,457
General and other funds	810	863	803	775	761	781
Endowment Fund	973	356	184	133	101	69
Foreign exchange remittance	1,695	1,079	962	851	680	519
Current Ratio	5.9	6.6	6.3	7.5	8.2	4.2
Cash to Current Liabilities	0.6	1.2	1.0	1.7	7.4	3.3

The Operating Results of the Foundation have been further discussed in detail in the Chief Executive's Review.

Chief Executive's Review

The Directors of the Foundation endorse the contents of the Chief Executive's Report for the year ended 30 June 2014 which contains the state of the Foundation's affairs, business review and salient activities in different fields of operations, outlook, plans for strategic growth and other requisite information. The contents of the said review shall be read along with this report and shall form an integral part of the Directors' Report required under section 236 of the Companies Ordinance, 1984.

Corporate Governance

The Directors are pleased to state that your Foundation is trying to be as compliant as possible with the provisions of the Code of Corporate Governance 2012 despite it not being applicable on the Foundation. It is practiced on a voluntary basis to ensure good governance.

Statement on Corporate and Financial Reporting Framework

- These financial statements, prepared by the management of the Foundation, present fairly its state of affairs, the result of its operations, cash flows and changes in funds and reserves.
- Proper books of accounts of the Foundation have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements. Approved accounting standards comprise such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.
- The system of internal control is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements to the system.
- There are no significant doubts upon the Foundation's ability to continue as an ongoing concern.
- There has been no material departure from the best practices of corporate governance.

Attendance of Directors in Board Meetings

The Board is comprised of eleven members, which includes ten independent Non-Executive Directors and one Executive Director. The current members of the Board of Directors have been listed in the Company's Information. During the financial year ended 30 June 2014, five meetings of Board of Directors were held in Pakistan.

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Mushtaq K. Chhapra	Non Executive	5	4
Mr. Ahsan M. Saleem	Non Executive	5	4
Mr. Ateed Riaz	Non Executive	5	4
Mr. Adnan Asdar	Non Executive	5	2
Ms. Nilofer Saeed	Non Executive	5	4
Mr. Musadaq Zulqarnain	Non Executive	5	3
Mr. Ishaque Noor	Non Executive	5	0
Lt. Gen. (R) Sabeeh Qamar-uz-Zaman	Non Executive	5	2
Mr. Shahid Abdulla	Non Executive	5	1
Mr. Rashid Abdulla	Non Executive	5	0
Syed Asaad Ayub Ahmad	Executive	5	5

Related Party Information

Related parties include associated undertakings having common Directors and key management personnel. The related party transactions were mainly comprised of:

- a) Rs. 45.51 million (2013: 60.92 million) as Donation/Service received from the companies, in which Directors of the Foundation are also holding directorial positions.
- b) Rs. 7.66 million (2013: 5.85 million) in respect of Donations from the Foundation's directors.
- c) Rs. 17.74 million (2013: 15.05 million) paid as remuneration/compensation to key management personnel and Rs. 0.02 million (2013: 0.37 million) received in respect of donation to the Foundation from their personal income.

CEO Performance Evaluation

During the year, the Human Resource and Remuneration Committee of the Board evaluated the performance of the CEO in line with the established performance based evaluation system.

The evaluation was reviewed against the following criteria:

- Leadership
- Policy and Strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- Impact on Society

Subsequently, on the recommendation of the Committee, this was approved by the Board after their review.

Abstract under section 218 (1) of the Companies Ordinance, 1984

During the year ended 30 June 2014, the Board of Directors has revised the remuneration of Syed Asaad Ayub Ahmad, Chief Executive Officer from Rs. 603,750 to Rs. 676,200 per month effective 01 January 2014. There was no change in other terms and conditions of his appointment.

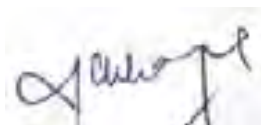
Syed Asaad Ayub Ahmad is a deemed director of the Foundation and is considered as interested in the aforesaid revision of his terms of appointment.

Financial Statements

The financial statements of the Foundation have been approved and duly audited without qualification by the auditors of the Foundation, KPMG Taseer Hadi & Co. and their report is attached with the financial statements.

Auditors

The auditors, KPMG Taseer Hadi & Co. retire and offer themselves for re-appointment. The audit firm has been given satisfactory rating under the Quality Control Review Program of Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants' guideline on codes of ethics, as adopted by ICAP. The Audit Committee and the Board of Directors of the Foundation have endorsed their appointment for members' consideration at the forthcoming Annual General Meeting.



Director

12 August 2014



Chief Executive Officer

12 August 2014



Chief Executive's Review

I take pleasure in presenting you the Annual Report of the Foundation along with the audited financial statements and performance review for the fiscal year ended June 30, 2014.

Annual Review

Alhamdulillah TCF completes its 18th year of operation. With a humble beginning of 5 schools, TCF stands today at 1000 School Units with presence in over 100 towns and cities across the country. This establishes a sense of greater responsibility on us to ensure that the standard and quality of education is maintained and delivered efficiently.

TCF Alumni Programme facilitates students after Matriculation and seeks scholarships and sponsorships for deserving graduates. TCF Alumni Programme has been successfully managing career counseling that held sessions with 2,374 matriculating students this year. We have recently set up a Community Development Unit (CDU) that leads strategic alliances and activities to promote poverty alleviation, preventive health, and environmental and social development, prioritizing for communities where TCF has presence and focusing on Vocational Training, Adult Literacy and Drinkable Water.

Summary of Financial Results

Description	2014	2013	Increase/Decrease
	Rs. in Million		%
Operating Expenses	1,806	1,452	24%
School Education Programme Expenses	1,628	1,319	23%
Programme Administration Expenses	178	134	33%
Donation Income – School Support	1,538	1,243	24%
Total Assets	5,914	4,754	24%

Operational and Financial Review

The Foundation Balance Sheet continues to remain healthy with a footing of Rs. 5,914 million as of June 30, 2014, compared to Rs. 4,754 million as of June 30, 2013. The operating results of the Foundation as detailed in the Income and Expenditure Account for the year ended June 30, 2014 shows operating expenses increased by 24%. The increase in School Education Programme expenses was 23%, which was mainly due to addition of new School Units 7% and inflation 12%, while the balance was due to the introduction and distribution of new books,

major repairs and maintenance of schools, higher demand of uniforms, sweaters, books and copies in existing schools, increased training expenses, increased school supervision and monitoring expenses. Programme Administration expenses increased by 33%. This increase was mainly due to increased resource mobilization expenses primarily due to a heavy Zakat campaign. The management maintained strict control on Programme Administration expenses, which remained below 10% of the total operating cost. However, to keep it within the threshold of 10% would be very challenging in future.

The Donation income for school support has increased by 24%. The increase was mainly due to receipt of various grants which witnessed a growth of 27%. The share of grant utilized for support donation was 18% as against 14% last year. Besides, Zakat collection has witnessed a growth of 65%. The Foundation's Zakat process (both collection and utilization) is reviewed by a Shariah Advisor periodically who has issued a Shariah Compliance Certificate. Despite tight monetary policy and 2% reduction of discount rate by State Bank of Pakistan, a significant growth of 45% was achieved in investment income due to better financial management and increased funds available for investment. All the funds and return on its investment are exclusively used for the education cause.

The income of TCF is exempt from income tax under sub-clause (xxviii) of clause (66) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. Any donation made to TCF by any person is allowed as admissible deduction as per prescribed limits as the name of TCF is enlisted in sub-clause (ia) of clause (61) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

Contribution to National Exchequer

Every year the Foundation receives foreign exchange remittances from abroad through official banking channels which contribute to the national exchequer. During the year ended June 30, 2014, the Foundation witnessed a growth of 57% in inward remittances. The contribution amounted to Rs. 1,695 million (2013: 1,079 million).

Corporate Distinctions and Awards

We are grateful to Almighty Allah that TCF has been announced as a winner of the Ramon Magsaysay Award 2014. Established in 1957, the Ramon Magsaysay Award is Asia's highest honour and is regarded as the region's equivalent of the Nobel Prize Award. Another unique distinction earned this year by TCF is the 29th Corporate Excellence Award by Management Association of Pakistan's, TCF has become the only Non-Profit in Pakistan to have won this award three times. This award is a testament to the unrelenting commitment and hard work of our staff in their efforts of continuous improvement.

I am also pleased to share that for the first time in TCF history, TCF has been adjudged by South Asian Federation of Accountants (SAFA) as the WINNER of "Best Presented Annual Report Awards 2012" in NGO category. Previously, TCF had received Certificate of Merit from 2009 till 2011. TCF also received 2nd Runner-up (Joint) award for Best Presented Accounts 2008 and Runner-up Award in 2006 and 2007.

In addition to the above, TCF has once again received a 3 year re-certification from Pakistan Centre for Philanthropy (PCP) after a thorough due diligence. PCP is the only body in Pakistan, which certifies Non-Profits.

Social Responsibility

TCF is committed to providing quality education to those students who truly cannot afford it, in order to give them and this nation a brighter future. However, beyond this core work, TCF is involved in providing clean water to its students and also the communities around its schools. TCF also provides literacy to women in the areas where the schools are located, through its Adult Literacy Programme called 'Aagahi'; along with mentoring through Rahbar Programme; Career Counseling; creating future opportunities for its graduates through award of scholarships and job placements where possible (details available in other parts of this report).

Environment & Energy Conservation

The Foundation is committed to energy conservation to make a positive impact on the environment and minimize energy costs. Efficient designs of schools and the use of energy efficient materials in the construction

ensure minimal energy use. TCF Schools are designed with a view to keep our carbon footprint to the minimum. Wide corridors, ample windows, and proper orientation ensure that our classrooms remain bright and airy, with minimal usage of electricity. Electricity consumption at the Head Office is kept to a minimum and a continuous analysis is conducted for energy savings.

Information Technology

TCF is focusing on leveraging technology more and more. Applications like Microsoft Office Suite Microsoft Dynamics Great Plains (ERP), MS CRM (for Donor Care) and School Management System (SMS) have been in place for a while now. We are in the process of introducing new applications for Fleet Management, Human Capital Management and others. The Foundation also has vital IT Security Policies in place such as IT Information Security Policy, IT Standard Operating Procedures, Disaster Recovery Plan and Risk Assessment Policy.

Future Outlook & Sustainability

TCF envisions empowering 155,000 children through education in the coming year. The future outlook also entails Career Planning Services, Community Development Centres, and Technical Training Centres, Scholarship Programmes for higher education and Literacy Programmes for adults.

During the year ended 30 June 2014, Endowment Fund of TCF has witnessed a growth of 173% which reflects the efforts of the Foundation towards achieving sustainability. We are very thankful to our donors who realize the importance of financial sustainability of the organization and have generously contributed to the same.

Objective, Strategies and Subsequent Events

There is no significant change in the Foundation's objective and strategies from the previous year. No material changes or commitments affecting the financial position of the Foundation have taken place between the end of the year and the date of this report.

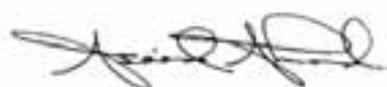
Acknowledgements

We are grateful to the All Merciful, with whose benevolence TCF has been able to progress and maintain its credibility. TCF owes its success to every single individual who has either joined the movement or worked in any capacity with compassion to further the cause. My humble and deepest appreciation for thousands of volunteers, friends and supporters in Pakistan as well as in USA, UK, UAE, Canada, Saudi Arabia, Qatar, Kuwait, Switzerland, Bahrain, Singapore, and Hong Kong and new supporters in Italy, Denmark, Australia and Netherlands who are committed to TCF and continue to create awareness and raise funds for the Education Programme. I would especially like to thank the young school and college-going volunteers globally whose enthusiasm boosts TCF movement.

TCF acknowledges with gratitude the honest hard work of one of our Pro Bono Advisors M/s. BDO Ebrahim & Co. Chartered Accountants, who evaluated the existing Governance Structure along with the Term of Reference of various committees formed to assist the board in discharge of its responsibilities.

TCF acknowledges with thanks sincere efforts of one of our valued donors Dr. Amjad Gulzar who in addition to arranging normal donations, made extraordinary efforts in arranging used furniture from "Trustee of Rehabilitation Response" (UK) as donation.

On behalf of the Board of Directors.



Syed Asaad Ayub Ahmad
Chief Executive Officer
12 August 2014

Profile of the Board of Directors



Adnan Asdar

Mr. Adnan is the co-founder of Multinet Pakistan (Pvt.) Ltd. He is also a Partner at AAA Partnership (Pvt.) Ltd. He is currently involved with Karachi Relief Trust, to manage its volunteers, facilitate their immediate relief efforts and to reconstruct homes in the flood affected areas in Pakistan.



Ahsan M. Saleem

A founding member on the Board of Directors of TCF, Mr. Ahsan M. Saleem has also served as Chairman of TCF 1998-2006. He is Chief Executive Officer of Crescent Steel & Allied Products Limited. He is also presently serving on the board of several listed companies.



Ateed Riaz

A founding member on the Board of Directors of TCF, Mr. Ateed Riaz has been Chief Executive Officer (in honorary capacity) of TCF from July 2002 till March 2005. Mr. Ateed Riaz has been looking after the operations of the Imrooz Association of Companies which include First Imrooz Modaraba and Tarseel Private Limited.



Ishaque Noor

TCF Director since 2004, he is Group Managing Director, Albatha Group, UAE. He is also a member of Executive Committee Chartered Accountants Club of Dubai and has served at various periods on Executive Committee of Professionals Wing, Dubai.



Lt. Gen (Retd) Sabeeh Qamar-uz-Zaman

Lt. Gen. Sabeeh Qamar-uz-Zaman (Retd), is a Director of TCF since 1996. He has also served as Chief Executive Officer of TCF from 1995 till 2001. As CEO, he received a UN Award for "his and his organization's outstanding work in support of primary education for boys and girls in less-privileged areas." He was awarded Hilal-e-Imtiaz and Sitara-e-Bisalat for distinguished service in the Pakistan Army.



Musadaq Zulqarnain

Inducted as a Director of TCF in April 2013, Mr. Musadaq Zulqarnain is the CEO of Interloop Limited including its subsidiaries in USA, Bangladesh, Euro Socks and Netherlands. Mr. Zulqarnain was the CEO of FIEDMC, formed to develop Industrial parks and infrastructure. He also presides Interloop Welfare Trust, which is engaged in numerous philanthropic activities in the country.



Mushtaq K. Chhapra

A founding member on the Board of Directors of TCF, and currently Chairman of TCF, Mr. Mushtaq Chhapra is also Honorary Consul General of the Royal Nepalese Embassy in Karachi. He is serving as director of various companies/corporations including Coastal Trading, CBM Plastics, Transpak (Pvt) Ltd, Coastal Synthetics (Pvt) Ltd, Multipaper Products Pvt Ltd, and Coastal Converters (Pvt) Ltd.



Nilofer Saeed

One of the most prominent female entrepreneurs in Pakistan and a successful businesswoman, owning the Hobnob Bakery Chain, Ms. Nilofer Saeed is a member of the Supporters of the Citizens Foundation (STCF) and due to her immense fund-raising efforts was inducted as a Director of TCF in December 2009. She has been presented with the Woman Entrepreneurship Momentum Award for 2010 and is also keenly involved in numerous charities.



Rashid Abdulla

Founding Member on the Board of Directors of TCF, Mr. Rashid Abdulla is a leading businessman and a philanthropist by heart. He holds directorships in several companies of IBL/UDL Group.

In alphabetical order with first names



Shahid Abdulla

Mr. Shahid Abdulla is the principal architect and CEO of Arshad Shahid Abdulla (Pvt) Ltd. He has been involved with various social projects in Pakistan and is also the founding member of Indus Valley School of Art and Architecture, The Hunar Foundation and The Kidney Centre.



Syed Asaad Ayub Ahmad

Mr. Syed Asaad Ayub Ahmad is the President, Chief Executive Officer. He is a member of TCF Board of Directors by virtue of his designation. He joined TCF in January 2009 and has previously worked for Shell Pakistan Limited, Exxon Mobil and British Petroleum.

Sindh



Punjab



A Look Into New TCF Schools

AGROR VALLY CAMPUS
North East Ohio Supporters

ANWAR TATA CAMPUS II
Shahid Anwar Tata

ARSHAD & ZAREEN CAMPUS
Arshad Mumtaz

BHMA CAMPUS
Begum Wa Haji Mohammad Ashfaq Trust
(BHMA Trust)

CAMPUS NAME TO BE DECIDED
Al Maktoum Foundation

CAMPUS NAME TO BE DECIDED
Mr. Nawaz

CAMPUS NAME TO BE DECIDED
Muhammad H. Habib (A.G. Zurich)

DELTA PARTNERS CAMPUS
Delta Partners Group

DUBAI CARES CAMPUS
Dubai Cares

FATIMA HAMID HUSSAIN CAMPUS
Aftab Ahmed

FREDERICK CAMPUS
Frederick County Supporters

HASSAN CAMPUS
Iqbal Hassan

HOUSTON CAMPUS VIII
Houston Group

INTERLOOP CAMPUS - VIII
Admiral Zakauallah Ashraf, Interloop, Infaq
Foundation

INTERLOOP CAMPUS IX
Interloop Welfare Trust

KATHORE CAMPUS
OMV Exploration and Production GmbH

KHAWAJA A REHMAN CAMPUS [Ext]
Allied Engineering & Services Ltd.

MAJ GEN FAZAL-E-MUQEEM CAMPUS
Gen Fazal Muqeem (Late) and Family

MEMPHIS CAMPUS
Memphis Supporters

MOHAMED SIDDIQUE AND HANIFA
DAWOOD CAMPUS
Farida Rokadia & Family

NAFEES YASIN MALIK CAMPUS
Sardar Yasin Malik (Hilton Pharma)

NAZ KHAWAJA CAMPUS
Saud Khawaja

NJ - SHAH ABDUL LATIF BHITTAI CAMPUS
New Jersey Donors

NOOR CAMPUS
Anonymous c/o Ishaque Noor

NUSRAT MUSSARAT NAEEMA CAMPUS
Naeema Aftab Shamsi

PIR SYED SALEH SHAH JILLANI CAMPUS
ENI Pakistan

PPL-TMK CAMPUS
Pakistan Petroleum Limited

REGINA CANADA CAMPUS
Regina Support

SAN ANTONIO CAMPUS
San Antonio Supporters

SARDAR MOHAMMAD KHAN NOOHANI CAMPUS
ENI Pakistan

SEATTLE XI - EKRAM UL HAQUE CAMPUS
Jawaid Ekram

SHELL MULAKATIYAR CAMPUS
Shell Pakistan

SILICON VALLEY CAMPUS
San Francisco Group

SYED ABDUL RASHID & SHAHIDA BEGUM
CAMPUS
Salman Rashid & Family

SYEDNA BURHANUDDIN CAMPUS
Mustafa Bengali

TASNEEM & SALIM SIDDIQI CAMPUS
Usman Ahmed

UEPL KAUSAR CAMPUS
United Energy Pakistan

UEPL NAIMAT CAMPUS
United Energy Pakistan

UNITY GIRLS CAMPUS
Washington DC Group

UNITY BOYS CAMPUS
Houston Group

UNITED ENERGY PAKISTAN LIMITED CAMPUS
United Energy Pakistan

In alphabetical order with first names



TCF Endowments



The Shirin Sultan Dossa Foundation is providing Lifetime Support for its Campuses



The Shirin Sultan Dossa Foundation has borne the cost of TCF Karachi Head Office Building

Endowment Schools:

AKU MEDICAL COLLEGE CLASS OF 94
CAMPUS
AKU Alumni & Minneapolis Chapter

ALTAF AGHA CAMPUS - V
Mrs. Saeda Mazhar Mahmood

ASNA RIAZ CAMPUS
Mr. Ateed Riaz, Mr. Aameed Riaz and Mr.
Naveed Riaz

CITI FRIENDS OF TCF MANSEHRA CAMPUS
Citit Group Friends

CRESCENT STEEL - SECONDARY CAMPUS
(TO BE BUILT WITH THE ENDOWMENT)
Crescent Steel & Allied Products Ltd.

FATIMA AND ANWAR (ANDY) MERCHANT
CAMPUS
Mr. Anwar Merchant

FEZAAN - DHATTANWALI CAMPUS
Fezaan Group

GHULAM FATIMA CAMPUS SCHOOL
Mr. Tariq Javed

GHULAM FATIMA CAMPUSES
Mr. Mohsan Pervaz

HBL FOUNDATION CAMPUS
HBL Foundation

HOUSTON VI CAMPUS
Connecticut Chapter

ILLAM DIN & ALLAH DITTA CAMPUS
CV Boosters

INTERLOOP CAMPUSES
Interloop Welfare Trust

KHAWAJA MUHAMMAD ABDUR RAB CAMPUS
Mr. Sajid Salman

LOS ANGELES CAMPUS
Kansas Chapter

MICROSOFT EMPLOYEE'S EVERGREEN
CAMPUS
Seattle Chapter

MUHAMMAD I. NASEEM CAMPUS
Mr. Muhammad I. Naseem

NAWABSHAH CAMPUS
National Bank of Pakistan

PSO CAMPUSES
Pakistan State Oil Company Limited

RADIANT WAY CAMPUSES
Radiant Way Endowment Fund

RAJKOTWALA CAMPUS
University of Texas Austin Alumni

RITA DUNLEAVY CAMPUS
Stratton Metal Resources Ltd.

SAEED A. RAZZAK CAMPUS
Late Saeed Razzak Family

SALMA SHER CAMPUS
Mrs. Saeda Mazhar Mahmood

SEATTLE CAMPUS I
Seattle Chapter

SULTAN MOWJEE CAMPUS
Friends and Well-wishers of Sultan
Mowjee

V. M. GANY CAMPUS
Mrs. Banu M. A. Rangoonwala

General Endowment

Chevron Pakistan Ltd.

Mr. Khalid Aziz

Mr. M. Salim Sheikh

Mrs. Naseem Jahan Khanam

Ms. Nasreen Shah

Mr. Qazi Jibran Ahmad

Mrs. Razia Saifuddin

Ms. Saadia Haseeb

Ms. Shazia Kamal

In alphabetical order with first names

A photograph of a large, three-dimensional sign mounted on a light-colored stone wall. The sign reads "TCF SCHOOL" in large, dark, block letters, with a green leaf-like logo above the "S". Below this, in smaller, silver, block letters, it says "ENDOWMENT CAMPAIGN 2014-15".

TCF SCHOOL

ENDOWMENT CAMPAIGN 2014-15

TCF - The Sustainable Future

With a view to start creating a sustainable future for TCF, a worldwide endowment funding campaign was conceived to commemorate the completion of 1000 School Units. The idea behind this campaign initially was to collect a \$100 Million in endowment funds for the support of 100,000 students for 100 years.

Going forward, it is anticipated that the requirement for build funds will decline largely on account of a conscious decision to focus on sustainability. Focus on growing the endowment fund is essential to TCF's long-term sustainability. The underlying rule for funds parked as lifetime/endowment will be that, the initial principal amount will remain intact for perpetuity and the cash generated from investment return will be used to support the students.

The funds will be invested in institutions with good rating assigned by credit rating agencies.



Tribute to Babar and Haris Suleman

“A wise man once said that ships are safest in the harbour but that’s not what ships are built for. These two were born to do remarkable things and you couldn’t have stopped them. After this incident, a man of modest means came to me and gave me \$5,000 that took him years to save and told me to give it to Babar’s cause. Babar and Haris gave their lives for a cause much bigger than themselves.”

- Azher Khan, President TCF, Indianapolis

Over the span of nearly two decades of its existence, TCF has been fortunate enough to have had a strong and committed support system. Its supporters have frequently gone above and beyond their means to show their faith in TCF’s cause. However, the story of Haris and Babar Suleman is one unlike any we have heard before. The tragic accident just days before the completion of their journey, has left devout supporters all over the world in complete grief and disbelief.

Haris and Babar’s unwavering passion to go out and make a change is an incredible source of inspiration to the young and old alike and will be for years to come. They have taught the world that one is never too young to start striving to make a change. One person really can make a difference. Even prior to their journey, Haris and Babar had been closely involved with TCF Indianapolis Chapter, Seeds of Learning, as education had always been a cause close to their hearts. Haris had been a keen volunteer since a young age.

Our hearts and prayers go out to their family and friends in this very difficult time. Their contribution and commitment to TCF’s cause will never be forgotten.

Their efforts have also been acknowledged at the state level. Haris Suleman have been conferred with Sitara-i-Imtiaz by the President of Pakistan Mamnoon Hussain. The *Sitara-i-Imtiaz* (Star of Excellence) is Pakistan’s 3rd highest award to recognize the contribution of individuals who have made an especially meritorious contribution to the security or national interests of Pakistan, world peace, cultural or other significant public endeavours.



A photograph of a group of children in a classroom. In the foreground, a young boy is smiling at the camera. Behind him, several other children are visible, some looking towards the camera and others looking down at books or papers on a desk. The desk is covered with various educational materials, including a large sheet of paper with colorful illustrations of a red apple, a green leaf, and a blue arrow. A pink rectangular overlay is positioned in the center of the image, containing the word "PROGRAMMES" in white capital letters.

PROGRAMMES



Initiatives in Education Programme

TCF has reached new milestones in education as we celebrated the opening of 1000 School Units. It is not just the quantity of schools but the quality of education imparted that gives The Citizens Foundation its distinct identity among the existing schools in Pakistan.

TCF also gives due importance to girls' education, for there is no doubt that educating a girl is educating an entire family. TCF strives to maintain an equal ratio of girls and boys in all its schools.

Training Endeavours

TCF strongly believes that quality education can only be provided by quality teachers. Training is the life-blood of TCF and every year it provides training to teachers and principals in various areas including pedagogy skills and subject modules. The effect of this training is evidently seen in student learning. There is a Japanese proverb that says, "Better than a thousand days of diligent study is one day with a great teacher." TCF strongly feels that such trainings can help create great teachers, which in turn will have a positive impact in all its schools.

The highlights of this year's training were the Appreciation Letters given to 500 Master Trainers who participated in the Training of Trainers (TOT). These Master Trainers then went on to train 7,700 teachers all over Pakistan. This year the Master Trainers underwent a qualifying test in order to take part as TOT trainees, thus ensuring that only the highest caliber teachers and principals participated in the TOT. Pre and post-tests were also carried out, which provided solid indicators to evaluate the success of the training.

This year the Pre-Service training session was conducted in two modes. One of them was the Direct Mode, which was for new staff hired at annual induction for new locations, extensions, and afternoon shifts. The manual was prepared by the training team for Pre-Primary and Secondary class teachers. The second mode was the self-study pack which was for the new staff of existing schools hired through annual induction or during the academic session. In this regard a manual was prepared for pre-primary, primary, secondary and English Language Teachers (ELTs). The self-study pack introduces teachers to TCF and how the TCF Schools work. It also includes hands-on activities that give them an opportunity to experience the teaching and learning process.

The In-Service Training Programme (INSET)

INSET takes place in the month of June and July. This year, the goal was to enable the teachers to prepare and deliver lessons more thoroughly and systematically. Apart from the generic modules, subject based modules

were developed especially in Mathematics, Science, English, Urdu, Islamiat and Social Studies for Primary and Secondary level. The demonstration of the prepared lesson plans enhanced teachers' confidence and equipped them to plan lessons independently.

Principals Academy (PA)

Hosted annually for six days, PA focuses on capacity building for school heads in the following areas: leadership, team building, communication skills, and motivation. TCF School Heads are the fundamental link in the entire process of teaching and learning as they interpret, understand, and inculcate the values and vision of TCF in the schools. Pre and post-tests were clear indicators of the quality of training imparted in the academy. Documentation played a pivotal role and all the PA trainings I-V are stored in CDs and distributed to all principals as a ready reference. Around 500 principals who have been trained in PA by qualifying trainers have received letters of appreciation. Empathy among colleagues and humane relationships can move mountains, and the TCF team is fully aware of this value. Good principals are essential in running good schools.

Physical Education Programme

The aim of this programme hosted by the British Council was to develop leadership awareness among young people and teachers, through sport, arts and international educational links. In order to achieve this objective, the training team after translating and printing, delivered 560 Top Cards to TCF Primary Schools in March 2013. Top Cards provide detailed physical activities in a systematic and engaging manner so that teachers find it easy to impart skills to their students. This year the Secondary Top Cards have been printed for distribution in schools.

Academics

An interesting highlight of Academics was the development of interesting books. This year Islamiat textbooks and teacher guides for classes I and II were developed and an orientation was given in several different areas to introduce the books directly to teachers. Mathematics text books for KG and class I will be developed by 2015. Work in this regard is well under way.

A significant highlight of Academics is the E-learning initiative on the Learning Management System (LMS). It is at least a three-phased project vision which starts with teacher competency and ends with student learning outcomes. Moodle is the choice of LMS engine. Competency tests of all subjects at Primary and Secondary levels have been prepared by QA and uploaded onto the LMS.

A pilot group of 700 teachers will take the test online via tablets, while the rest of the staff will take paper-and-pen versions of the same tests. The results of these tests have been linked to teachers' appraisals. The results of all staff will be entered into LMS and an analysis will be carried out to identify strengths and weaknesses in teachers' competency. The next step will be to provide content and teaching material to bridge the gaps that the test analysis will help to highlight.

Other Initiatives

It is not only academic learning that is given due importance but many co-curricular activities are also carried out in schools. TCF has cocurricular teachers in all its schools to help carry out all extra-curricular activities that can lead towards holistic development.

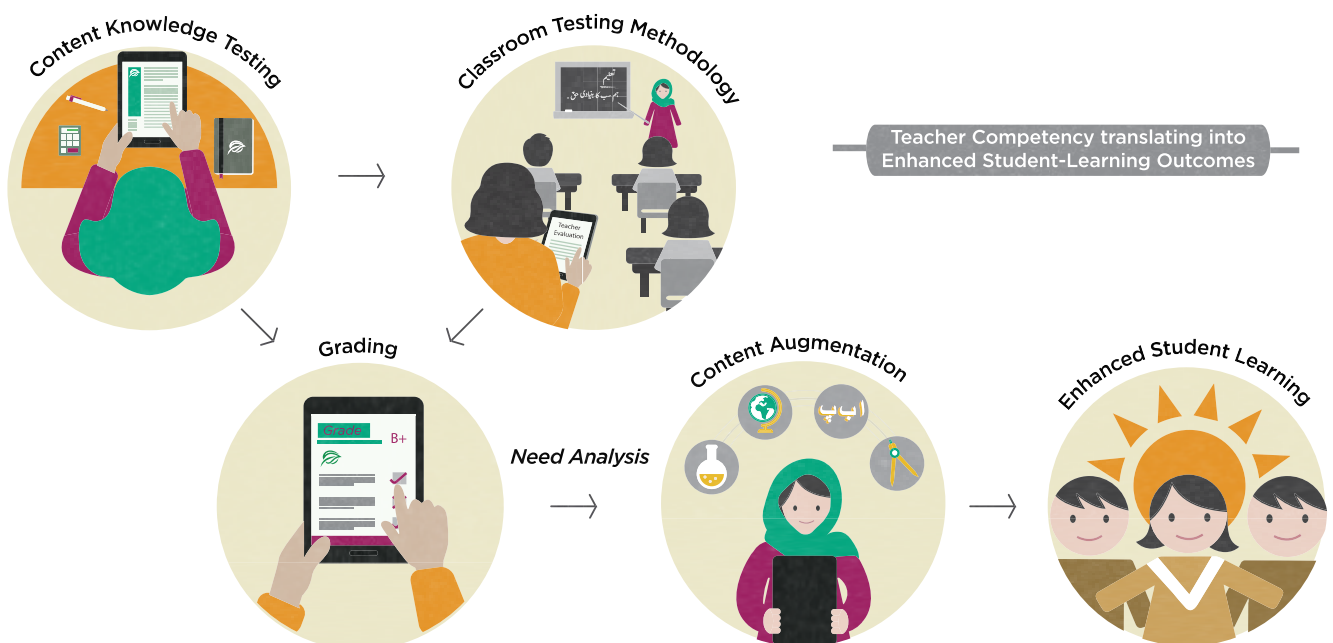


Learning Management System

The Learning Management System (LMS) with Moodle as the choice of the LMS engine is a three-phased project vision which starts with online testing of teacher competency and ends with enhancement of student learning outcomes. Further improvements and adaptations will continue in the system as LMS is considered a journey into quality learning for head teachers, teachers and students alike. As a part of this extensive journey, Phase 1 was successfully concluded with competency tests of all 7,500 subject teachers at Primary and Secondary levels. Of these, 686 teachers took these online tests on tablets. Once compiled, the results of these tests will greatly help in identifying the weak links in the system. This initiative although new, engages the teachers to constantly improve their content understanding and in turn, this knowledge will have a cascading effect on student learning outcomes.

An extension to this initiative for next year will be the assessment of teacher's teaching methodology through classroom observation forms. Based on this, the teacher content knowledge and teaching style in class will receive a ranking and teacher performance appraisal will be linked to it. Additionally, next year's target includes content development and addition of interactive subject-focused material on LMS that will help teachers and head teachers to better teach in schools.

The LMS project has been hailed as a one-of-a-kind project as it could not have been accomplished without the joint partnership and synergy of the various departments i.e. IT, Quality Assurance, Academics and Operations.





Tenth TCF Awards for Faculty 2013

The very first TCF Awards were held a decade ago, in 2003. Ever since then, this award ceremony has been held annually to acknowledge the momentous contribution made by TCF Faculty. Categories for the awards includes Long Service (for 5, 10 and 15 years of service), 100% attendance, 100% attendance for five consecutive years, excellent Matriculation results and *Tamgha-e-Tahseen* for teachers who contributed something exceptional and creative during the academic session.

The award ceremony has become a highly anticipated event, and has grown tremendously over the years. In 2003, TCF awards started off as a small-scale event, held at a founder's residence. Keeping in line with TCF's growing presence and the founders' dream to grow, these award ceremonies went on to expand continuously, in terms of both scale and scope. The Tenth TCF Awards held in 2013, took place in eight different locations across Pakistan to honour TCF Faculty. From November 2013 to January 2014, the ceremonies were organized respectively in Qasba Gujrat, Faisalabad, Lahore, Islamabad, Khushab, Naushera, Petaro and Karachi. At the ceremonies in these cities, apart from bestowing awards on faculty, 1 gold medal and 110 silver medals were awarded to those TCF students who secured A+ grade in board examinations.

Annual Highlights with our Donors



Book Reading Activity by Agility

This May, Agility organized a thrilling **Book Reading Activity** for students of TCF's DCD Campus, Saudabad. An enthusiastic team of 10 volunteers from Agility visited the campus and entertained a large group of Grade II, III & IV children with enjoyable stories, at the end of which students were provided books to take home. The trip was thoroughly enjoyed by the students and faculty alike.

Career Counseling by Engro Corporation

This May, Engro Corporation conducted an informative **Career Counseling Session** with students of classes VIII, IX and X at the Shirin Sultan Dossa XIV & XVI campuses. Three representatives from Engro Foods, Sarfaraz Rehman, Babar Sultan and Salman Goheer, led an interactive session with the students, sharing their thoughts and ideas, and encouraging students to ask questions. The students received motivational speeches by these accomplished individuals who shared their valuable life experiences.

Ground Breaking Ceremony

On 26th May, an inauguration ceremony took place at the construction site of a school funded by Engro Polymer and Chemicals Limited. Attendees included CEO of Engro Polymer, Khalid Subhani, MPA Sajid Jhokio, and TCF Chairman Mushtaq Chhapra. After the ribbon cutting and placement of the stone plaque, a dua was offered, after which several local residents distributed Ajrak and Sindhi Topis to the guests.

Standard Chartered Bank's Endeavours

One of SCB's volunteer activities this year included a **children's visit to the Dolphin Show** held in Karachi. This March, over 175 primary school students and 25 staff members from TCF's Shah Faisal- Sindh Police Campus were taken on a day trip to the Pakistan Maritime Museum, where they witnessed captivating performances by dolphins, a sea lion, and a Beluga whale.

On other occasions, SCB planned an educational yet fun-filled **trip to the PAF museum**, and conducted an eye screening activity on students in TCF Lahore schools, under their 'Seeing is Believing' Campaign. Additionally, the **SCB Modarba** team held a **Book Reading Competition** for TCF students, as part of their Employee Volunteer Programme.

Unilever's Global Hand Washing Day

In October 2013, Unilever celebrated **Global Hand Washing Day** at the TCF Shirin Sultan Dossa, Campus XVI. The event started off with interactive storytelling sessions which the students thoroughly enjoyed. The session came to a close with the recitation of the *Ehd Nama*, in which the students made a pledge to make a conscious effort towards personal hygiene.



Crescent Steel's Activities

Crescent Steel arranged a **Head Office tour** for TCF Crescent Steel Campus III students. These students were taken on a complete tour of the office and introduced to various departments. They were also shown an interesting documentary on Crescent Steel's manufacturing practices. The session concluded with a stimulating Q&A session. The trip proved to be a valuable learning experience for the students as they were given an opportunity to observe a real-life work environment.

Throughout April and May, Crescent Steel encouraged **Environmental Awareness and Team Building** with students at the Crescent Steel Campuses. The importance of these elements was promoted through interactive activities with the students. The idea was to encourage student interaction and team work, as well as highlighting the necessity of being an environmentally conscious individual.



Art Competition by Yunus Textiles

In November 2013, Yunus Textiles held an **Art Competition** for over 300 Primary School students of TCF's Abdul Razzak Tabba Campus. The event was led by 15 volunteers who organized this fun-filled activity and gave the children a wonderful platform to explore and showcase their talent. The competition produced many splendid pieces of art which the children were extremely proud of.



Volunteer Stories

The Volunteers & Alumni department (V&A) provides an organized platform through which volunteers can contribute to TCF, and ensures that TCF alumni are sufficiently supported through scholarships and post-Matric counseling regarding higher education and skill training. The V&A department plans and organizes volunteer-based activities such as the Rahbar Mentorship Programme, Summer Camp, and Career Counseling, and simultaneously offers guidance and counseling to TCF alumni throughout the course of their further education.

“Our main goal is to ensure that students are well-rounded and suitably equipped by the time they make it out of TCF system. V&A actually started off very small, arranging small-scale summer camps in a few schools. Volunteer-based activities are designed to be mutually beneficial; a valuable and enriching learning experience for students as well as volunteers. The idea behind Rahbar is to focus on *tarbiyat*, and help inculcate a ‘can do’ attitude in the students. The immediate success of Rahbar allowed us to broaden our reach, having completed 16 cycles as of today. Volunteer-led Career Counseling sessions are also held to guide Matric students regarding their future academic and career options. The overall aim is to encourage character development in the students while they are still in school, and continue to guide them once they become part of our alumni. TCF Alumni are an integral part of the system, and are closely counseled on Intermediate/University admissions, and scholarship procedures and prospects.”

- Naima Hasan, Head of Volunteers & Alumni

Summer Camp



Nahl Jabbar

Summer Camp Volunteer

“I’ve come to realize that social work isn’t as selfless an act as we tend to think. We go in thinking we’ll be the ones changing lives, but by the end it’s our lives that have been changed forever. In these two weeks, I saw a side of our city I never knew existed; we discover ourselves, our strengths, our weaknesses, things that drive us. We are loved and appreciated to an extent we didn’t think possible. We find ourselves transforming into a new person whom we can be proud of, a person with purpose, and the power to influence.”



Rahbar

"The best measure of time, they say, is journey. Seasons blossom; rivers flow; moon grows; man evolves; and Nature flourishes as a testimony to her benevolence."



Leenah
Rahbar Mentor

"Working in the capacity of a volunteer, I've been a fortunate witness to Rahbar's journey - that of an ardent pilgrim! Starting off with a humble count of 22 mentors, Rahbar - the volunteer initiative that provides a perfect synopsis to the TCF spirit, has developed in to a community of its own. 2600+ mentors strong, I now define four years old Rahbar as creator of a legacy, affecting 10,000 mentees' lives by founding impressions in their hearts!"

Career Counseling



Haya Mubasher
Career Counseling Volunteer

"Gaining insights into students aspirations made me understand that each individual is capable of performing to their best if given the opportunity."





SUPPORTERS UNITE

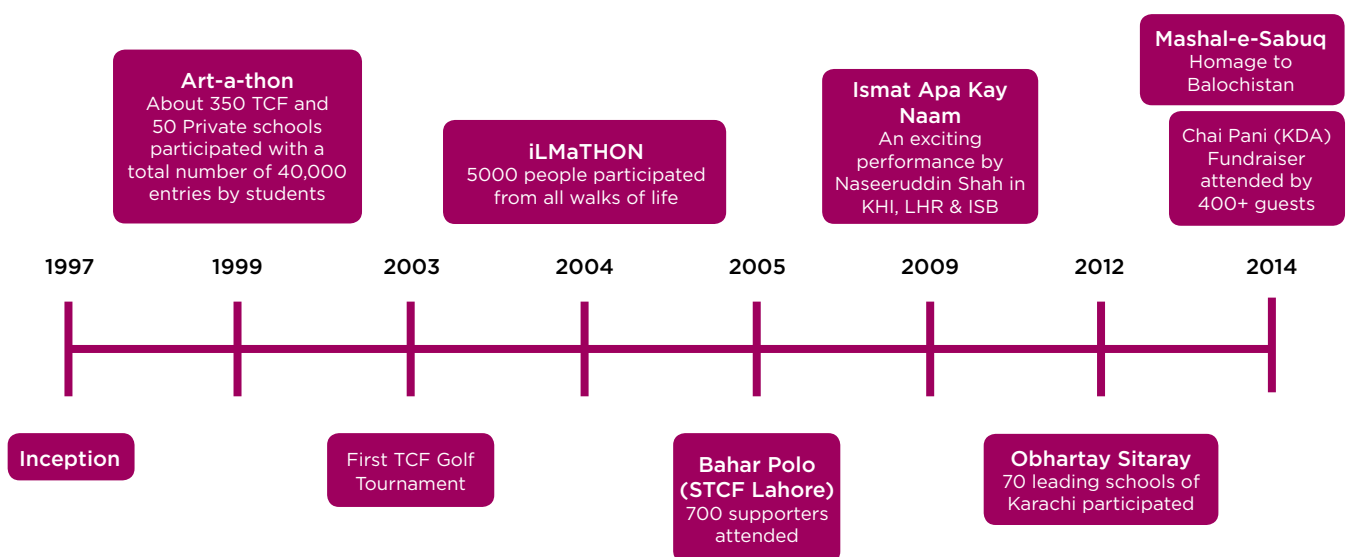


STCF in Pakistan

Supporters of TCF (STCF) was founded in August 1996, soon after the establishment of the first five schools. The idea was to bring together a pool of devoted supporters of TCF, who had the time, drive, and network to boost TCF's mission. This idea came to life when Mr. Mushtaq Chhapra addressed a group of 60 women, and shared TCF's vision. STCF started off 200 members strong, with five women who have been in the forefront from the very beginning – Nilofer Saeed, Bushra Afzal, Amna Zahid, Nighat Daudi and Shahla Shareef.

“The best thing about STCF is that it comprises mostly of women who have the stability, ambition, time and means to be able to actively pursue TCF's cause. Time is the greatest resource; if you can donate it towards something worthwhile you really feel you are making a difference. TCF is a movement and its supporters are an integral part of that movement. Some STCF members could have switched to teaching in schools, or joined other philanthropic ventures, but they said that they didn't get the same kind of satisfaction elsewhere. As supporters, even the smallest of services causes a progression, and the impact of their contribution seems tangibly larger.”

- Nilofer Saeed, Supporter & Director TCF





Your Zakat will send them to School

TCF Zakat Campaign

As the Holy month of Ramadan starts, we seek Allah's forgiveness and thank Him for His countless blessings. Your contributions in the form of Zakat can help the less-privileged in more ways than one. 'Support-A-Child' uses your Zakat to educate these children and to empower them to become capable individuals. Zakat for education may have a long gestation period but it ensures future sustainability and power to uplift a family, community and therefore, a nation.

TCF believes in collecting Zakat as per Shariah Compliance. Through this procedure all Zakat money is utilized for meeting the direct and indirect expenditures incurred in respect of deserving students. In order to follow the Shariah-compliant Zakat mechanism, TCF ensures the following:

- Written consent is obtained by TCF from parents/ guardians of deserving TCF students to make TCF an agent on their behalf to collect Zakat money for their children's education.
- Zakat received is then deposited in a Shariah-Compliant bank account to keep it separate from other funds.
- All Zakat money is utilized for meeting the direct and indirect expenditures incurred for deserving students. It is ensured that Zakat collected is spent within the same year.
- A Shariah Advisor has been appointed to ensure that all procedures for collection and utilization are 100% compliant.

TCF launched its Zakat campaign in mid-May this year. For the ease of Zakat donations, TCF recently implemented an E-Commerce gateway, which enabled a real-time donation option for donors. Our supporters were generous in helping with the outdoor and print advertising spaces. Collateral materials were designed and displayed for mass awareness to encourage MNCs, banks, E-Commerce, outdoor agencies and service sectors participation. Multiple alliances were established with the corporate sector to boost the outreach and getting the message across.

For more information on our Shariah-compliant Zakat mechanism, please visit: www.tcf.org.pk/Zakat.aspx



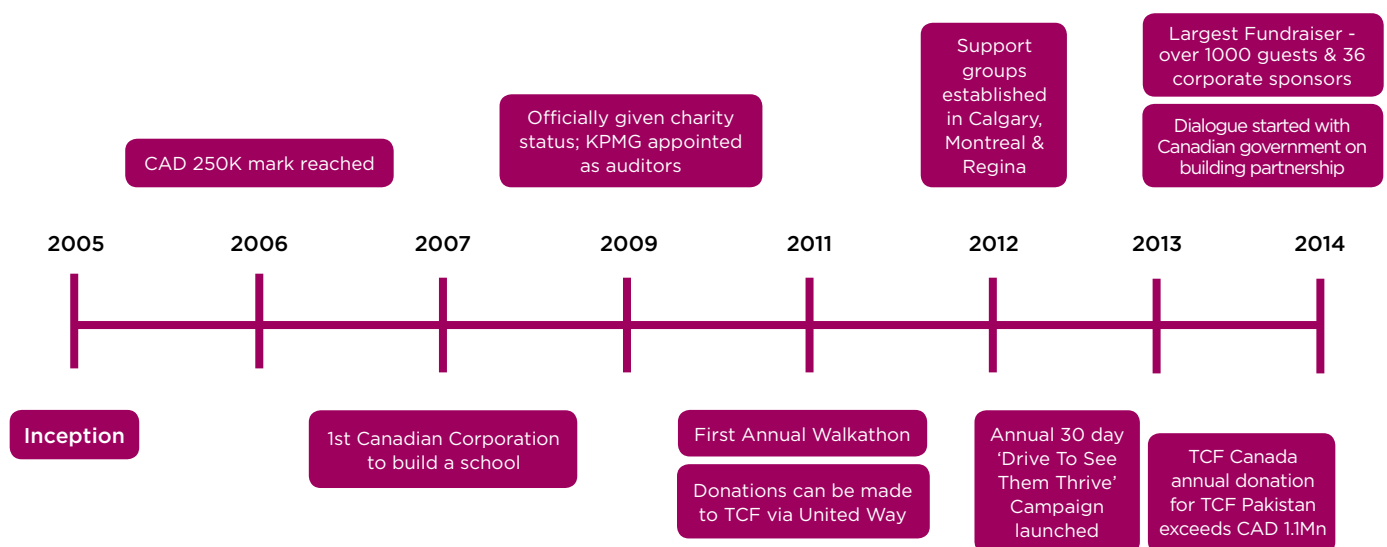
TCF Canada Helps Build Schools

With 54 schools under its belt and over 7,736 young minds educated, TCF Canada has grown significantly since its inception to become one of the pre-eminent ambassadors of the cause beyond Pakistan's borders. The last few years have been a very exciting phase for TCF Canada, as it increased its mainstream exposure through various campaigns and in the interim has succeeded in attracting highly motivated support groups to establish across Canada. To date, TCF Canada has raised over CAD 4.8 Million, with CAD 1.1 Million raised in 2013 alone.

Founded by Ms. Saadia Awan, TCF Canada had its official launch in 2005 with the objective of connecting the patriotic Pakistani diaspora to the positive difference they could make in their land of birth. Ms. Awan, Ms. Najma Shamsi and Mr. Shahzad Alam, the first board members, set the groundwork for TCF Canada's president, Aziz Rakla. A role model for all and the real driving force behind the rapid growth of the chapter, Mr. Rakla's passion and dedication to the cause are truly inspirational.

"I am blessed to be ranked amongst some of the most opulent families in my community, but my beginnings were very humble. Growing up in Pakistan, I too was raised in a community similar to those where TCF exists and also attended a school run on charity. I would not be where I am today without education; I realize the true meaning of 'opportunity' for these children. It is now my turn to give back and I can't think of a better platform for this than TCF."

- Aziz Rakla, President TCF Canada



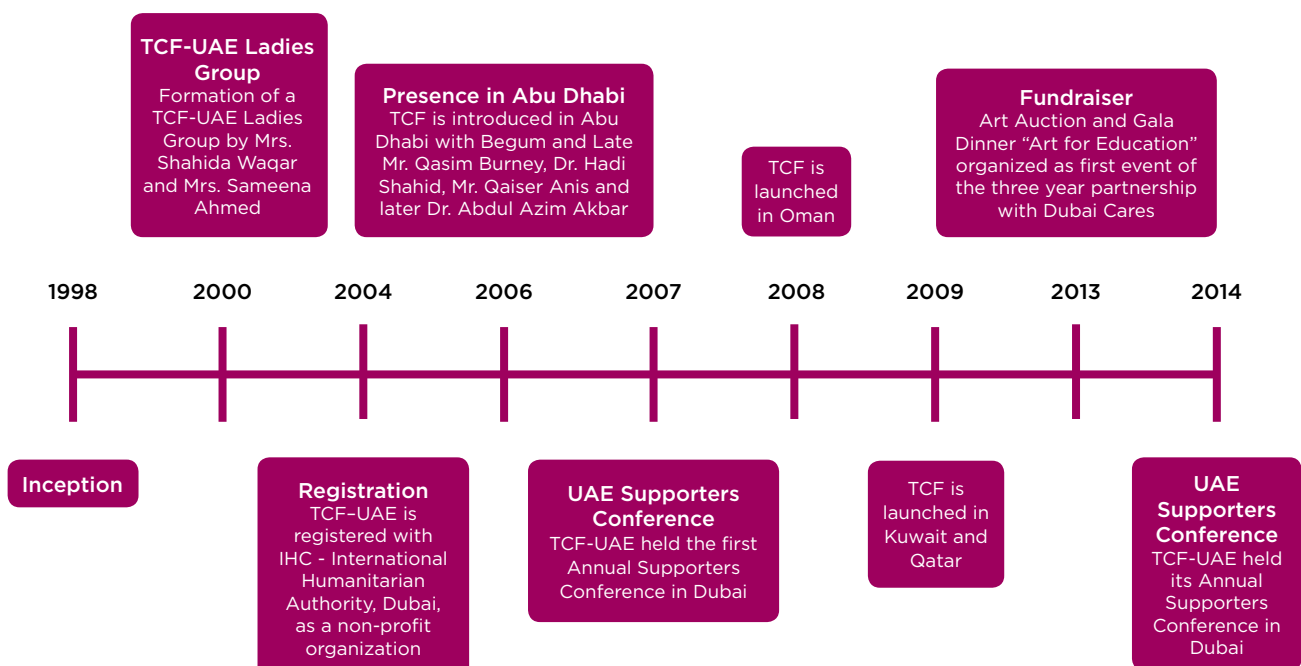


TCF-UAE & Gulf Continue Helping

TCF-UAE journey began in 1998 in Dubai, when TCF Board decided to formally go international. In October 1998, three founding directors, Mr. Ahsan Saleem, Mr. Mushtaq Chhapra and Mr. Ateed Riaz came to Dubai to introduce TCF to the stalwarts of the Pakistani community. The guests at the event were moved by the presentation and pledged to support the initiative.

Mrs. Sultana Walajahi, who was the Chairwoman of the Pakistan Ladies Association, Dubai Chapter, volunteered to introduce TCF to the ladies of UAE. The following day, Mr. Amjad Khan, invited fifty guests at his residence to introduce TCF. Mr. Sajjad Ahmed, a senior member of the community proposed that those present should pledge to build one school, which came to be known as TCF Primary School- Dubai Campus I.

Today, after sixteen years, TCF-UAE supporters are proud to have built over eighty School Units sharing the vision of creating Agents of Positive Change in Pakistan.

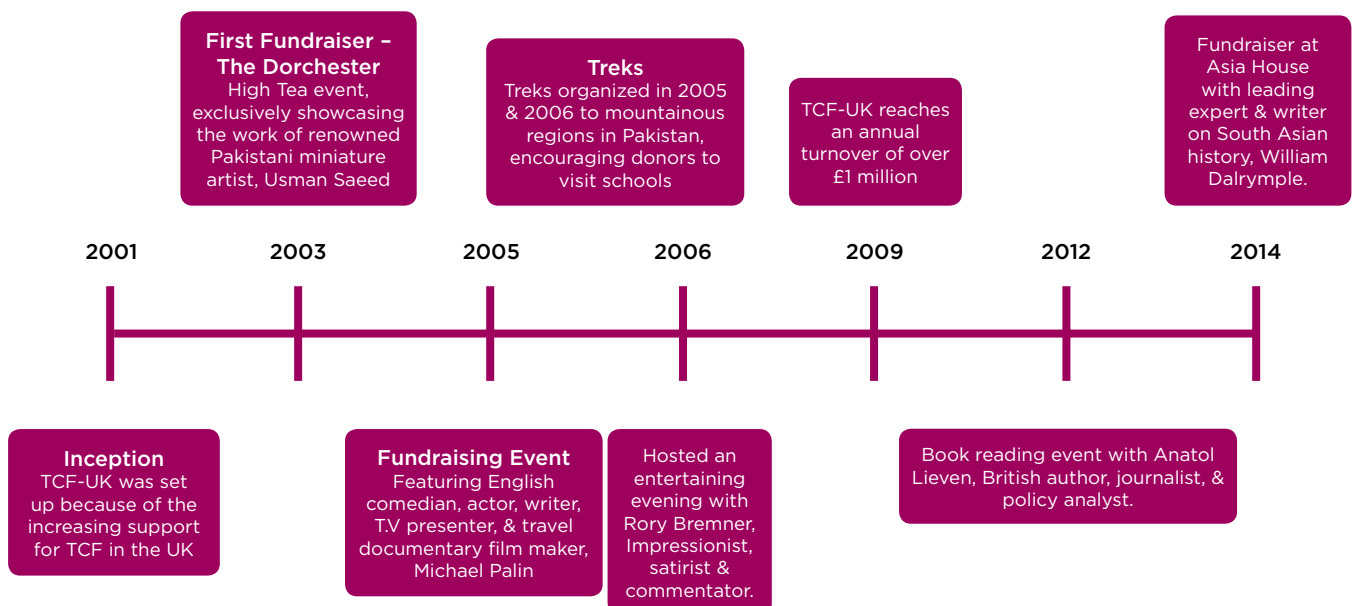




UK Promotes TCF's Work

“In response to an increased interest in TCF’s work, TCF-UK registered as a charity in 2001. Since then we have come a long way increasing our support base and promoting the valuable work of TCF. To complement fundraising activities, TCF-UK has hosted events with high profile supporters such as Michael Palin, Rory Bremner, William Dalrymple, Mishal Husain, and Moni Mohsin. We have worked with universities across the UK, as well as with leading organisations such as Asia House and The RSA. Our activities over the years have attracted positive media coverage from notable UK media networks such as the BBC, The Guardian, New Statesman and The Times.”

- Amina Salahuddin, Director Fundraising, TCF-UK





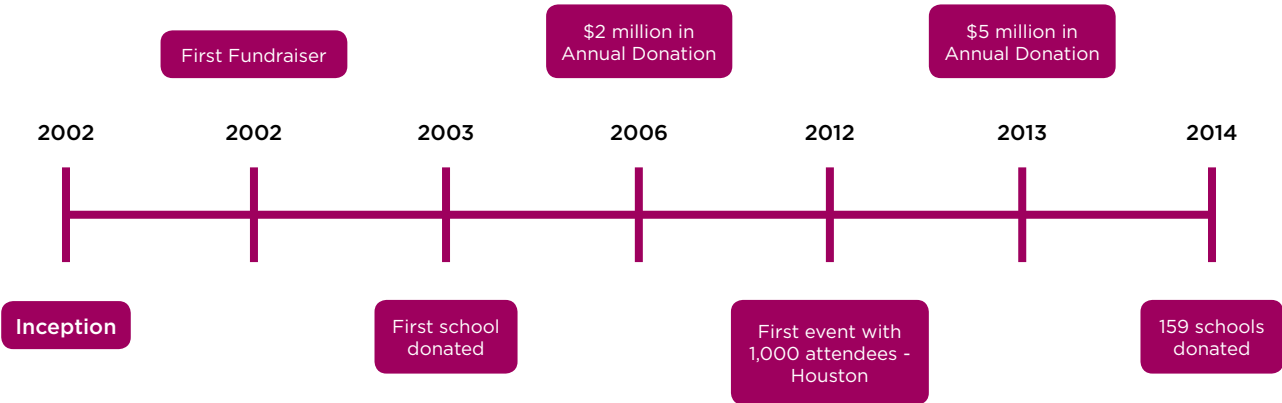
TCF-USA Accomplishes More

The TCF-USA Journey

“It all started when a friend took us to see one of the first TCF Schools on a trip to Pakistan. As has happened to many Pakistani Americans who visit a TCF School, we fell in love with the children we met and the concept of TCF. With the help of a group of friends in Chicago, TCF-USA was incorporated in spring 2002, a difficult time in the aftermath of the Sept. 11, 2001 tragedy.

By 2014 when TCF reached 1000 School Units, TCF-USA had donated 159 School Units. We had amazing experiences along the way, like when we received a call from a supporter in California offering land for a school in Gujranwala, and after a week a second call from a different supporter in Ohio offering to build a school in Gujranwala. It was also special to meet a young student in Massachusetts, who described how she was inspired to apply for her Fulbright scholarship by a TCF student she was mentoring as a TCF Rahbar volunteer.”

- Danial Noorani, CEO, TCF-USA



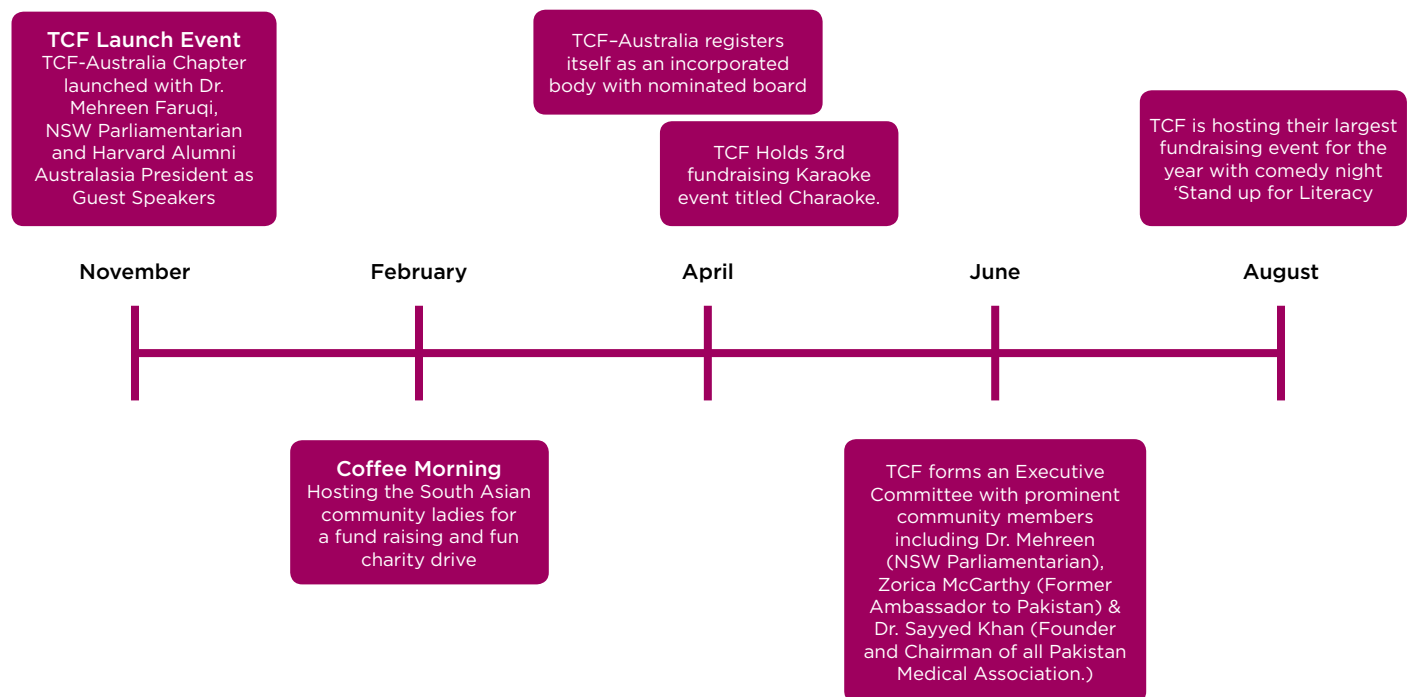


Australia Supports TCF's Vision

“TCF–Australia started its journey in November 2013 when four passionate people put their efforts towards supporting TCF Pakistan’s vision. Within just 8 months of its inception, the team has managed to host a launch event, a coffee morning, a Karaoke event, and are working towards their largest event to date in August. Today, everyone at the Sydney Chapter is happy and proud as they proceed to support their first primary unit in Pakistan with an ambition towards many more.

It has been a year of challenges, learning and excitement for the team as it continues to grow in Australia and is creating a significant impact on the lives of the less-privileged in Pakistan”

- Danial Mausooof, Founder and President, TCF–Australia



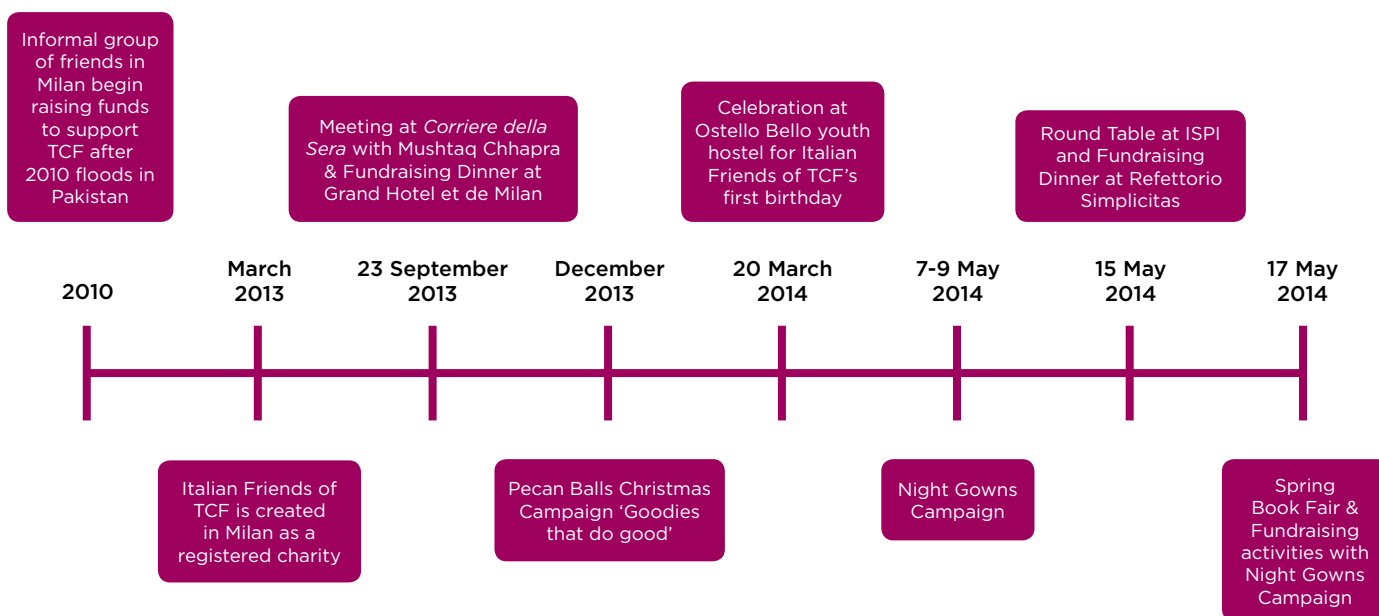


TCF-Italy Raises Awareness and Funds

Friends of TCF was established in Italy as a registered charity in March of 2013, but its journey had already begun in 2010, when a group of Italian friends decided to support TCF in relation to the flood emergency of that year. Their commitment continued their commitment to the cause during three consecutive “Pecan Balls” holiday cookies campaigns, along with official fundraising initiatives with institutions and firms based in Milan.

“Several of our Milan members visited Pakistan and TCF Schools in January of 2014. This energizing trip gave us the impetus and determination to share with others the great work carried out by TCF as well as a more nuanced and accurate vision of Pakistan. Our events have been aimed at raising not only financing for the schools, but also awareness of Pakistan’s civil society and its rich and interesting cultural heritage.”

- Gretchen Romig Crosti, President, Italian Friends of TCF







نحمدہ و انصلي على رسولہ الکریم

Annual Shariah Review Report

TCF is a professionally managed, non-profit and philanthropic organization set up in 1996 by a group of citizens concerned with the dismal state of education in Pakistan. It is now one of Pakistan's leading organizations in the field of formal education.

The organization's financial needs are being covered by general donations and Zakat that Pakistani individuals and corporate throughout the world contribute towards. To ensure that the whole process is Shariah compliant, both in letter and in spirit, the undersigned has been appointed as an independent Shariah Advisor to review all Zakat-related documents and procedures.

In capacity of Shariah Advisor, I reviewed the procedures adopted by TCF for collection and utilization of Zakat for the financial year ended 30 June 2014.

Based on my review, I confirm that The Citizens Foundation is collecting and spending Zakat fund in accordance with the instructions of Shariah. It is also confirmed that whosoever will give Zakat to this Foundation; their Zakat will be paid as per Shariah point of view.

Allah may grant the management of The Citizens Foundation best reward for their services, and may give in their mission more blessings and sincerity. Aameen



محمد ابراہیم عسا

MUFTI IBRAHIM ESSA

Shariah Advisor
The Citizens Foundation
Date: 18 July 2014

Profile of Shariah Advisor

Mufti Ibrahim Essa has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus Fil Fiq (Specialization in Islamic Jurisprudence) from Jamiah Darul-Uloom Karachi under the supervision of Mufti Muhammad Taqi Usmani.

He is also a Teacher and Member of Darul Ifta Darul-Uloom Karachi since September 2006 to date. Mufti Ibrahim has been associated with The Citizens Foundation since 01 May 2013 in the capacity of Shariah Advisor.

Mufti Ibrahim Essa is also associated as Shariah Advisor with different Islamic Financial Institutions, Takaful companies, Mudarabas and audit firm. He has written more than two thousand Fatawa on different topics. He is also Shariah consultant of leading charitable organizations for Zakat matters.

FINANCIAL STATEMENTS

For the year ended 30 June 2014



Financial Statements of this Annual Report are printed on recycled paper.



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed balance sheet of **The Citizens Foundation** ("the Foundation") as at 30 June 2014 and the related income and expenditure account, statement of comprehensive income, statement of changes in funds and reserves, cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Foundation's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion, and after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Foundation as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at 30 June 2014 and of the deficit, changes in funds and reserves and its cash flows for the year then ended; and
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Date: 12 August 2014
Karachi

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

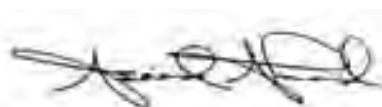
KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Balance Sheet

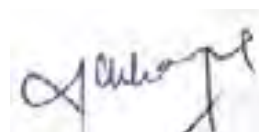
As at 30 June 2014

	Note	2014	2013
ASSETS			
Non-current assets			
Property and equipment	4	3,762,783	3,321,063
Intangible assets	5	4,206	4,830
Long term investments	6	712,832	225,789
Long term deposits		9,457	8,811
		4,489,278	3,560,493
Current assets			
Advances and prepayments	7	65,345	63,536
Accrued income and other receivables	8	26,629	7,768
Short term investments	9	1,231,308	1,044,323
Cash and bank balances	10	101,304	77,961
		1,424,586	1,193,588
Total assets		5,913,864	4,754,081
FUNDS AND LIABILITIES			
Capital fund	11	2,200	2,100
General fund		700,427	763,911
Deficit of income over expenditure for the year		(43,612)	(18,234)
Unrealized gain on remeasurement of available for sale investments		151,375	115,398
		810,390	863,175
Non-current liabilities			
Endowment fund	12	972,922	356,415
Deferred income relating to operating fixed assets	13	3,429,332	2,986,043
Deferred income relating to school support, grants and children education	14	461,103	367,561
		4,863,357	3,710,019
Current liabilities			
Accrued expenses and other liabilities	15	240,117	180,887
Total funds and liabilities		5,913,864	4,754,081
Contingencies and commitments	16		

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive Officer



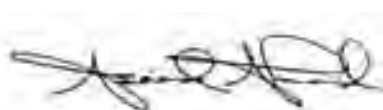
Director

Income and Expenditure Account

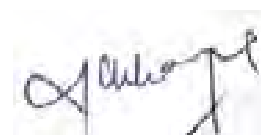
For the year ended 30 June 2014

	Note	2014	2013
		(Rupees in '000)	
INCOME			
Donations	17	1,641,888	1,318,176
Income on investments - net	18	72,932	80,458
Gain on disposal of fixed assets		47,245	35,538
		1,762,065	1,434,172
OPERATING EXPENDITURE			
<i>Education Programme</i>			
Subsidies to TCF schools	19	775,041	623,187
Books, copies, uniforms and other school supplies		216,720	170,962
Repair and maintenance charges		60,211	41,671
School vehicle running and maintenance		86,302	85,414
Teachers' training		42,362	28,841
School supervision and monitoring		121,983	93,695
Depreciation on school assets	20	285,678	241,535
Other school expenses	21	39,619	33,416
		1,627,916	1,318,721
<i>Programme Administration</i>			
Salaries and other benefits	22	76,224	65,574
Resource mobilization expenses		54,144	27,497
Vehicle running and maintenance		5,720	4,452
Travelling and conveyance		2,703	2,618
Utilities		4,239	3,645
Communication		4,149	4,044
Printing and stationery		3,879	3,305
Depreciation	20	15,036	12,712
Other expenses	23	11,667	9,838
		177,761	133,685
Total Operating Expenditure		1,805,677	1,452,406
Deficit of income over expenditure for the year		(43,612)	(18,234)

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive Officer



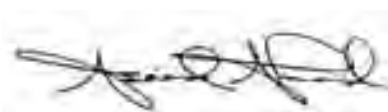
Director

Statement of Comprehensive Income

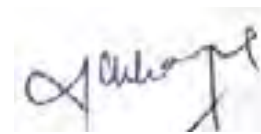
For the year ended 30 June 2014

	2014 (Rupees in '000')	2013
Deficit of income over expenditure for the year	(43,612)	(18,234)
Other comprehensive income		
Unrealized gain on remeasurement of available for sale - investments	65,451	97,934
Reclassification adjustments relating to gain on disposal of available for sale investments	(29,474)	(2,887)
Other comprehensive income for the year	35,977	95,047
Total comprehensive income for the year	(7,635)	76,813

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive Officer



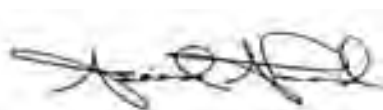
Director

Cash Flow Statement

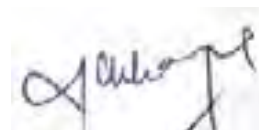
For the year ended 30 June 2014

	Note	2014 (Rupees in '000)	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from support donation operations	24	(318,389)	(201,702)
Long term deposits		(646)	(58)
Net cash used in operating activities		(319,035)	(201,760)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(743,733)	(601,602)
Sales proceeds on disposal of fixed assets		48,057	37,897
Investments - Long term and Short term		(607,527)	(257,263)
Income on investments		44,153	59,700
Net cash used in investing activities		(1,259,050)	(761,268)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital fund		100	600
Endowment fund		611,405	153,313
Deferred receipts relating to build donations		547,272	486,116
Deferred receipts relating to school support, grants and children education		442,651	332,914
Net cash generated from financing activities		1,601,428	972,943
Net increase / (decrease) in cash and cash equivalents		23,343	9,915
Cash and cash equivalents at beginning of the year		77,961	68,046
Cash and cash equivalents at end of the year		101,304	77,961

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive Officer



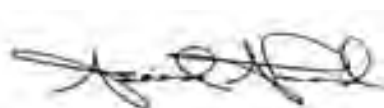
Director

Statement of Changes in Funds and Reserves

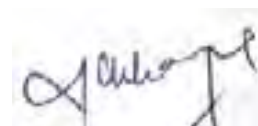
For the year ended 30 June 2014

	Capital fund	General fund	Accumulated (deficit) / surplus	Un-realized gain on remeasurement of available for sale investments	Total
	----- (Rupees in '000) -----				
Balance as at 30 June 2012	1,500	725,194	57,617	20,351	804,662
Transaction with members of the Foundation recognized directly in Funds and Reserves for the year ended 30 June 2013					
Contribution received during the year	600	-	-	-	600
Transfer of surplus of income over expenditure to the general fund	-	57,617	(57,617)	-	-
Transfer from General Fund to Endowment fund	-	(18,900)	-	-	(18,900)
Total Comprehensive income for the year					
Deficit of income over expenditure for the year	-	-	(18,234)	-	(18,234)
<i>Other comprehensive income</i>					
Unrealized gain on remeasurement of available for sale investments	-	-	-	97,934	97,934
Reclassification adjustments relating to gain on disposal of available for sale investments	-	-	-	(2,887)	(2,887)
Total comprehensive income for the year	-	-	(18,234)	95,047	76,813
Balance as at 30 June 2013	<u>2,100</u>	<u>763,911</u>	<u>(18,234)</u>	<u>115,398</u>	<u>863,175</u>
Transaction with members of the Foundation recognized directly in Funds and Reserves for the year ended 30 June 2014					
Contribution received during the year	100	-	-	-	100
Transfer of deficit of income over expenditure to the general fund	-	(18,234)	18,234	-	-
Transfer from General Fund to Sustainability Fund	-	(40,148)	-	-	(40,148)
Transfer from General Fund to Endowment Fund	-	(5,102)	-	-	(5,102)
Total comprehensive income for the year					
Deficit of income over expenditure for the year	-	-	(43,612)	-	(43,612)
<i>Other comprehensive income</i>					
Unrealized gain on remeasurement of available for sale investments	-	-	-	65,451	65,451
Reclassification adjustments relating to gain on disposal of available for sale investments	-	-	-	(29,474)	(29,474)
Total comprehensive income for the year	-	-	(43,612)	35,977	(7,635)
Balance as at 30 June 2014	<u>2,200</u>	<u>700,427</u>	<u>(43,612)</u>	<u>151,375</u>	<u>810,390</u>

The annexed notes 1 to 28 form an integral part of these financial statements.



Chief Executive Officer



Director

Notes to the Financial Statements

For the year ended 30 June 2014

1. LEGAL STATUS AND NATURE OF OPERATIONS

The Citizens Foundation ("the Foundation") was incorporated in Pakistan as company limited by guarantee on 24 September 1996 under section 42 of the Companies Ordinance, 1984. The Foundation is principally engaged in establishing schools to promote education. The Foundation receives funds from cross sections of society within and outside Pakistan for building of schools as well as for its operation. These donations are made by organizations, institutions and individuals.

The registered address of The Citizens Foundation is situated at Plot 20, Sector 14, Korangi Industrial Area, Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for:

- available for sale investments which are stated at their fair values.
- donated land and buildings which are stated at valuation as described in note 4.1.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees which is also the Foundation's functional currency and have been rounded off to the nearest thousand Rupee.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

Operating fixed assets and intangible assets

The Foundation reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible asset with a corresponding affect on the depreciation and amortization charge and impairment.

Held to maturity investment

The Foundation has classified certain investments as held to maturity. In this regard, judgment is involved in evaluating the intention and ability to hold these investments till their respective maturities.

Available for sale investment

Management has determined fair value of certain investments by using quotations from active market condition and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgement (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

2.5 New / Revised Accounting Standards, Amendments to Published Accounting Standards and Interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Foundation’s financial statements.
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Foundation’s financial statements.
- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.
- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria.
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Foundation’s financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:
 - IFRS 2 ‘Share-based Payment’. IFRS 2 has been amended to clarify the definition of ‘vesting condition’ by separately defining ‘performance condition’ and ‘service condition’. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.
 - IFRS 3 ‘Business Combinations’. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.

- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented.

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold and leasehold land and donated land and buildings. Cost include expenditure directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bring the assets to a working condition for their intended use.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

The value assigned to the leasehold land is not depreciated since the lease is renewable at the option of the lessee.

Donated land is stated at nominal value or actual cost of acquisition as the case may be. Donated buildings are initially measured at valuation determined by the management and subsequently carried at valuation less accumulated depreciation and accumulated impairment, if any.

Depreciation is charged to income and expenditure account under the straight-line basis at rates specified in note 4.1 to these financial statements. Depreciation is charged on operating fixed assets from the date asset is available for intended use upto the date the asset is disposed off. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Normal repairs and maintenance are charged to income and expenditure account as and when incurred. Gains and losses on disposal of an item of property and equipment are taken to income and expenditure account currently.

Capital work in progress is stated at cost accumulated upto the reporting date. Assets are transferred to operating fixed assets when they are available for intended use.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Costs that are directly associated with identifiable software products controlled by the Foundation and have probable economic benefit beyond one year are recognized as intangible assets.

Costs associated with maintaining computer software products are recognized as expense as and when incurred.

3.3 Investments

All investments in equity securities and units / certificates of open and closed end mutual funds classified as available for sale are initially recognized at fair value and subsequently remeasured at fair value and any resultant gain or loss recognized directly in the funds and reserves until derecognized or impaired, when the accumulated adjustments recognized in funds and reserves are included in the income and expenditure account. Any reversal in impairment loss is recognized in income and expenditure account except for equity instruments in which case it is recognized in statement of funds and reserves.

The fair value of these investments are determined on the basis of year-end bid prices obtained from stock exchange quotations and the relevant redemption prices for open end mutual fund units.

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost.

3.4 Other payables

Other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.5 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized in the income and expenditure account.

3.6 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Foundation becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Foundation loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income and expenditure account.

3.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Foundation intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.8 Income recognition

Donations for school operations are recognized as income as and when received.

Donations related to operating fixed assets e.g. for building schools etc. received in cash are recognized as deferred income and amortized over the useful lives of asset from the date the asset is available for intended use.

Donations received for school support and education of a child till matriculation are deferred and recognized as income on a systematic basis to match them with the related costs that they are intended to compensate.

Gain or losses on sale of investments are included in income and expenditure account on the date at which the transaction takes place.

Dividend income is recognized when the right to receive dividend is established.

Grants are recognized in profit or loss on a systematic basis over one or more years, under income approach.

Income on Term Finance Certificates is recognized using the effective yield basis.

Income on Pakistan Investment Bonds is recognized using the effective yield basis.

Income on deposit accounts, term deposits receipts and treasury bills are recognized on time proportion basis taking in to account the effective yield.

Miscellaneous income, if any, is recognized on receipt basis.

3.9 Provision for compensated absences

The Foundation accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

3.10 Expenses

All expenses are recognized in the income and expenditure account on accrual basis.

3.11 Taxation

The Foundation enjoys exemption from income tax under clauses (60) and (92) of Part I of Second Schedule to the Income Tax Ordinance, 2001, consequently no provision for taxation is made in these financial statements.

Further, through Finance Act, 2012 income of the Citizens Foundation has been provided specific exemption from tax under new sub-clause (xxviii) of clause (66) of Part I of the Second Schedule of the Income Tax ordinance 2001. Further by virtue of sub-clause (ia) of clause (61) of Part I of the Second Schedule of the said ordinance any donation made to The Citizens Foundation by any person shall be allowed as admissible deduction. The exemption clauses become applicable from 01 July 2012.

3.12 Provisions

Provisions are recognized in the balance sheet when the Foundation has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.13 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies at the reporting date are translated into Pak Rupees at the rates of exchange prevailing on the reporting date. Exchange differences, if any, are included in income and expenditure account.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and other short term highly liquid investments with original maturities of three months or less.

3.15 Transfer to general fund

The Foundation transfers deficit / surplus of income over expenditure to general fund in the year in which it is approved.

3.16 Restricted Funds

These are funds which are not to be used in the current year for meeting operating expenses.

4. PROPERTY AND EQUIPMENT

		2014	2013
		(Rupees in '000)	
Operating fixed assets	4.1	3,449,517	2,953,734
Capital work in progress	4.2	272,947	320,315
Advance for construction		12,205	10,870
Advance against purchase of operating fixed assets		28,114	36,144
		<u>3,762,783</u>	<u>3,321,063</u>

4.1 Operating fixed assets

	2014								
	School land		Building on		Furniture and fittings	Vehicles	Electrical equipment	Office and other equipments	Total
	leasehold	freehold	leasehold land	freehold land					
----- (Rupees in '000) -----									
At 1 July 2013									
Cost	7,665	147,120	86,868	3,121,232	262,911	477,969	18,851	66,529	4,189,145
Accumulated depreciation	-	-	(9,751)	(807,800)	(124,559)	(250,556)	(6,992)	(35,753)	(1,235,411)
Net book value	7,665	147,120	77,117	2,313,432	138,352	227,413	11,859	30,776	2,953,734
Additions / transfers from capital work in progress	3,751	32,803	3,480	528,641	45,185	159,735	5,302	18,412	797,309
Disposals									
Cost	-	-	-	-	384	51,417	537	-	52,338
Accumulated depreciation	-	-	-	-	(270)	(51,018)	(238)	-	(51,526)
	-	-	-	-	114	399	299	-	812
Depreciation for the year	-	-	(4,218)	(171,739)	(24,671)	(85,496)	(3,906)	(10,684)	(300,714)
Closing net book value	11,416	179,923	76,379	2,670,334	158,752	301,253	12,956	38,504	3,449,517
At 30 June 2014									
Cost	11,416	179,923	90,348	3,649,873	307,712	586,287	23,616	84,941	4,934,116
Accumulated depreciation	-	-	(13,969)	(979,539)	(148,960)	(285,034)	(10,660)	(46,437)	(1,484,599)
Net book value	11,416	179,923	76,379	2,670,334	158,752	301,253	12,956	38,504	3,449,517
Depreciation rates (% per annum)	-	-	5	5	10	20	20	20	
	2013								
	School land		Building on		Furniture and fittings	Vehicles	Electrical equipment	Office and other equipments	Total
	leasehold	freehold	leasehold land	freehold land					
----- (Rupees in '000) -----									
At 1 July 2012									
Cost	7,660	144,503	83,078	2,810,288	219,513	405,012	13,974	53,864	3,737,892
Accumulated depreciation	-	-	(5,490)	(658,136)	(103,081)	(217,624)	(4,381)	(36,133)	(1,024,845)
Net book value	7,660	144,503	77,588	2,152,152	116,432	187,388	9,593	17,731	2,713,047
Additions / transfers from capital work in progress	5	2,617	3,790	310,944	43,439	108,849	5,760	21,889	497,293
Disposals									
Cost	-	-	-	-	41	35,892	883	9,224	46,040
Accumulated depreciation	-	-	-	-	(34)	(35,611)	(173)	(7,863)	(43,681)
	-	-	-	-	7	281	710	1,361	2,359
Depreciation for the year	-	-	(4,261)	(149,664)	(21,512)	(68,543)	(2,784)	(7,483)	(254,247)
Closing net book value	7,665	147,120	77,117	2,313,432	138,352	227,413	11,859	30,776	2,953,734
At 30 June 2013									
Cost	7,665	147,120	86,868	3,121,232	262,911	477,969	18,851	66,529	4,189,145
Accumulated depreciation	-	-	(9,751)	(807,800)	(124,559)	(250,556)	(6,992)	(35,753)	(1,235,411)
Net book value	7,665	147,120	77,117	2,313,432	138,352	227,413	11,859	30,776	2,953,734
Depreciation rates (% per annum)	-	-	5	5	10	20	20	20	

4.1.1 School land includes land acquired by the Foundation as well as received as donations. The donated plots of land are stated at nominal value.

4.1.2 Five school buildings which were constructed prior to the incorporation of the Foundation were donated at an estimated cost of Rs. 2 million each.

4.1.3 Book value of building on leased hold land includes	2014 (Rupees in '000)	2013
School buildings	5,343	1,937
Head Office building	71,036	75,180
	<u>76,379</u>	<u>77,117</u>

4.2 Capital work in progress

Balance as at 1 July	320,315	235,275
Expenditure incurred during the year	484,753	400,605
	<u>805,068</u>	<u>635,880</u>
<i>Transferred during the year to:</i>		
School buildings	(528,641)	(310,944)
Office building	(3,480)	(3,790)
Furniture & fixture	-	(831)
	<u>272,947</u>	<u>320,315</u>

This represents civil works and related cost for the construction of schools and head office building.

5. INTANGIBLE ASSETS

Software	5.1	2,961	3,850
Advance against purchase of software		1,245	980
		<u>4,206</u>	<u>4,830</u>

5.1 Software

Net carrying value basis

Opening net book value (NBV)	3,850	3,057
Additions (at cost)	222	1,730
Amortization charge	(1,111)	(937)
Closing net book value	<u>2,961</u>	<u>3,850</u>

Gross carrying value

Cost	7,186	5,456
Additions (at cost)	222	1,730
Accumulated amortization	(4,447)	(3,336)
Net book value	<u>2,961</u>	<u>3,850</u>

Intangible asset represents softwares purchase cost which is amortized over the period of five years on straight line basis from the date of its initial recognition.

6. LONG TERM INVESTMENTS

2014
2013
(Rupees in '000)

Held to maturity

Term Finance Certificates

United Bank Limited - Tranche III	-	4,990
NIB Bank Limited	-	4,990

Pakistan Investment Bonds

6.1	457,992	-
	457,992	9,980

Available for sale

Certificates of closed end funds

Atlas Fund of Funds	-	23,697
PICIC Growth Fund	148,300	106,800
PICIC Investment Fund	44,811	32,268
JS Growth Fund	-	1,377
JS Value Fund	-	789
Meezan Balanced Fund	-	7,814
PICIC Energy Fund	-	39,852
	193,111	212,597

Units of open end funds

JS Large Capital Fund - Class B	-	3,212
JS Growth Fund	1,643	-
JS Value Fund	1,022	-
Meezan Balanced Fund	9,408	-
PICIC Energy Fund	49,656	-
6.2	61,729	3,212

712,832	225,789
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- 6.1 This represents investment in Pakistan Investment Bonds having maturity on 18 July 2016 and carrying yields from 11.97% to 12.08% (2013: Nil). The PIBs have a market value of Rs. 458.24 million (2013: Nil) as at 30 June 2014.
- 6.2 During the year JS Value Fund, Meezan Balance Fund, JS Growth Fund and PICIC Energy Fund were converted from closed end to open end funds.

7. ADVANCES AND PREPAYMENTS

Advances to staff for expenses - considered good	50,815	55,553
Advances to suppliers - considered good	12,146	5,171
Prepaid expenses	2,384	2,812
	65,345	63,536

8. ACCRUED INCOME AND OTHER RECEIVABLES

2014 2013
(Rupees in '000)

Accrued income on investments

- term finance certificates	62	542
- term deposit receipts	1,409	197
- Pakistan investment bonds	23,860	-
	<u>25,331</u>	<u>739</u>

Tax deducted at source

Dividend receivable

1,298	1,202
-	5,827
<u>26,629</u>	<u>7,768</u>

9. SHORT TERM INVESTMENTS

Held to maturity

Term deposit receipts

Local currency

Askari Bank Limited	-	15,000
Bank Al-Habib Limited	-	8,000
Burj Bank Limited	50,000	-
Faysal Bank Limited	110,000	50,000
NIB Bank Limited	-	12,000
	<u>160,000</u>	<u>85,000</u>

9.1

Foreign currency

Askari Bank Limited	124,196	117,088
Bank Al-Habib Limited	111,361	255,374
NIB Bank Limited	294,227	39,148
	<u>529,784</u>	<u>411,610</u>

9.2

Term Finance Certificates

Askari Bank Limited	-	10,244
United Bank Limited - Tranche III	1,663	-

9.3

Treasury Bills

State Bank of Pakistan	507,390	392,133
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9.4

Available for sale

Money Market Funds

ABL Government Securities Fund	-	4,682
Atlas Money Market Fund	-	30,164
Askari Sovereign Cash Fund	3,092	-
Meezan Sovereign Fund	-	47,711
Faysal Money Market Fund	-	3,130
HLB Money Market Fund	-	33,220
PICIC Cash Fund	-	5,122
NAFA Islamic Multi Asset Fund	20,063	-
UBL Islamic Sovereign Fund	5,336	-
NAFA Riba Free Saving Fund	3,980	21,307
	<u>32,471</u>	<u>145,336</u>
	<u>1,231,308</u>	<u>1,044,323</u>

- 9.1** This represents investment in local currency Term Deposit Receipts maturing between 27 July 2014 to 02 May 2015 and carry profit rate of 9% to 9.6% (2013: 6% to 7.99%) per annum.
- 9.2** This includes Term Deposit Receipts in
- US Dollar amounting to \$ 3,690,237 (2013: \$ 3,777,500) having maturities from 12 July 2014 to 28 September 2014 and carrying mark-up from 1.25% to 2.15% (2013: 0.25% to 1.50%) per annum.
 - GBP amounting to £ 990,000 (2013: £ 260,000) having maturity on 28 July 2014 and carrying mark-up of 1.5% (2013: 1.2%) per annum.
- 9.3** This represents investment in 8 years term finance certificate carrying profit rate of 6 months KIBOR plus 1.70% per annum maturing on 8 September 2014. During the year principal amount of Rs. 3.3 million (2013: Rs. 3.3 million) was redeemed. The TFC have a market value of Rs. 1.66 million (2013 : Rs. 20.28 million).
- 9.4** This represents investments in Treasury Bills having maturities ranging from 07 August 2014 to 13 November 2014 and carrying profit rates ranging from 9.67% to 9.97% (2013: 8.85% to 9.45%) per annum. The Treasury Bills have a market value of Rs. 483.22 million (2013: Rs. 378.09 million) as at 30 June 2014.

10. CASH AND BANK BALANCES

2014 2013
(Rupees in '000)

Cash in hand		100	100
Cash at bank:			
- current account	<i>10.1</i>	7,327	3,729
- deposit account	<i>10.2 & 10.3</i>	93,877	74,132
		101,204	77,861
		101,304	77,961

- 10.1** This includes foreign currency equivalent to Rs. 0.872 million (2013: Rs. 3.2 million).
- 10.2** This includes foreign currency equivalent to Rs. 11.06 million (2013: Rs. 2.19 million). Profit rate on deposit accounts ranges from 0.1% to 0.25% (2013: 0.1% to 0.25%) per annum for foreign currency deposit accounts and 6% to 8% (2013: 6% to 8%) per annum in local currency deposit accounts.
- 10.3** The deposit account also includes a security deposit of Rs. 21.208 million (2013: Rs. 21.618 million) which is kept in a separate bank account on which 6% (2013: 7%) return is offered. This represents deposits obtained mainly from teachers in order to discourage them from leaving the Foundation without notice and is refunded to them at the time of leaving the Foundation. The security deposit is kept in a separate bank account as per the requirement of section 226 of the Companies Ordinance, 1984.

11. CAPITAL FUND

This represents contribution by the members when they joined the Foundation in terms of Article "8" of Articles of Association of the Foundation. During the current year contribution from one member was received. His consent was approved in the BOD meeting held in April 2013.

12. ENDOWMENT FUND

This represents contribution received from the donors with the stipulation of principal amount to be kept intact while the income earned on related investments could be used for specific or general purpose.

12.1 Classification of Endowment Donors	2014	2013
	(Rupees in '000)	
AKU Class of '94 Group	15,257	-
Austin Group	17,332	15,868
Crescent Steel & Allied Products Ltd	10,000	8,107
Friends and Wellwishers of Sultan Mowjee	33,500	13,250
Ghulam Fatima School	17,145	-
HBL Foundation	34,333	32,618
Houston Group	20,152	-
Interloop Welfare Trust	16,338	-
Mrs. Banu M.A. Rangoonwala Trust	12,000	12,000
Microsoft Evergreen Campus	18,375	-
M.I.Naseem	19,500	8,000
National Bank of Pakistan	13,750	10,000
Noorani Family	11,741	10,692
One Muslim - post matric students	10,000	-
Pakistan State Oil Company Ltd	17,500	17,500
Radiant Way Endowment Fund	78,301	16,875
Saeeda Mazhar Mahmood	33,100	16,100
Sajid Salman	15,802	11,457
Seattle Group	17,935	-
The Shirin Sultan Dossa Foundation	439,099	94,581
TCF - USA	49,050	49,050
Wahid Maskatiya	10,130	10,130
Others	62,582	30,187
	972,922	356,415

13. DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS

Opening balance	2,986,043	2,575,088
Donations received during the year	547,272	486,116
Amortization for the year	(103,983)	(75,161)
	3,429,332	2,986,043

14. DEFERRED INCOME RELATING TO SCHOOL SUPPORT, GRANTS AND CHILDREN EDUCATION

Opening balance		367,561	322,850
Donations received during the year	14.1	482,799	332,915
Amortization for the year		(389,257)	(288,204)
	14.2 & 14.3	461,103	367,561

- 14.1** This includes grant received during the year amounting to Rs. 260.489 million (2013: Rs. 203.921 million) as follows:

	2014			
	Grants as at 1-Jul-13	Grants Received during the year	Amortisation for the year	Grants as at 30-Jun-14
	------(Rupees in '000)-----			
UK Aid (formerly DFID)	-	2,063	2,063	-
Education Fund for Sindh	20,954	102,532	123,486	-
JP Morgan Chase Foundation	1,657	-	1,657	-
I-Care Foundation	-	1,399	350	1,049
Skoll Foundation	-	42,711	42,711	-
Target Foundation	1,214	2,680	2,555	1,339
Qatar Foundation	-	109,104	109,104	-
Others	1,484	-	1,484	-
	<u>25,309</u>	<u>260,489</u>	<u>283,410</u>	<u>2,388</u>

	2013			
	Grants as at 1-Jul-12	Grants Received during the year	Amortisation for the year	Grants as at 30-Jun-13
	------(Rupees in '000)-----			
Department for International Development (DFID)	-	86,235	86,235	-
Education Fund for Sindh	-	41,908	20,954	20,954
JP Morgan Chase Foundation	-	3,977	2,320	1,657
Skoll Foundation	-	61,625	61,625	-
Target Foundation	-	2,429	1,215	1,214
Others	-	7,747	6,263	1,484
	<u>-</u>	<u>203,921</u>	<u>178,612</u>	<u>25,309</u>

- 14.2** This includes an amount of Rs. 268.41 million (2013: Rs. 180.24 million) representing sustainability fund to meet cash short fall in the operational support of the schools in future.

- 14.3** This includes Zakat amounting to Rs 9.6 million (2013: Nil).

15. ACCRUED EXPENSES AND OTHER LIABILITIES

	2014	2013
	(Rupees in '000)	
Accrued expenses	136,863	88,936
Security deposit	21,208	21,618
Retention money	21,853	22,042
Scholarship	25,313	26,067
Provision for compensated absences	12,005	12,426
School water project	8,180	8,903
Other liabilities	14,695	895
	<u>240,117</u>	<u>180,887</u>

16. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

- 16.1** The Foundation received a notice in June 2003 from Sindh Employees' Social Security Institution (SESSI) demanding a payment of Rs. 0.48 million as arrears of social security contribution for the year from May 2003 to September 2003 vide Sindh Government Gazette Notification No. L-II-5-9/2002 dated 8 February 2003. Consequently, the Foundation filed a petition with Honourable Sindh High Court challenging SESSI's application of Social Security Scheme on Educational Units. The Sindh High Court on 25 April 2008 adjudicated the case against the Foundation on the ground that the services of the employees should be secured in case of sickness, maternity, employment injury or death and for matters ancillary thereto. The Foundation filed an appeal with the Honourable Supreme Court of Pakistan against Sindh High Court's dismissal of the Foundation petition which was admitted by the Supreme Court on 26 September 2008. On 16 June 2010, the Supreme Court of Pakistan up-held the decision of Sindh High Court and dismissed the petition. The Foundation filed a review petition on 04 November 2010 with the Supreme Court of Pakistan against its Judgement. Further, the SESSI demanded a payment of Rs. 35.47 million on 2 February 2011 including an increase amounting to Rs. 11.82 million. The Foundation filed an appeal on 16 April 2011 against the said increase with the Commissioner of SESSI. Currently the Foundation is awaiting for judgment on review petition filed with the Supreme Court of Pakistan and an appeal pending with Commissioner SESSI. However, a provision of Rs. 35.47 million has been made in the financial statements against the alleged demand.

Similarly, the Foundation has also made a provision of Rs. 35.79 million in the financial statements against PESSI contribution on the basis of SESSI's demand as the number of employees eligible for PESSI contribution were approximately the same as in the case of SESSI.

- 16.2** On 15 March 2013 the Foundation received a notice from Inland Revenue Officer of Federal Board of Revenue (FBR) reference no. Unit-06/WHT/RTO-II/Khi/2012- 2013/438 under section 161(1A) of the Income Tax Ordinance, 2001 on account of non/short deduction of Withholding Tax relating to tax year 2012. The notice set out a show cause on short deduction of withholding tax of Rs. 64.19 million. The Foundation through its tax counsel submitted detailed explanations, paid challans and various communications to FBR from time to time. Resultantly, Officer Inland revenue (OIR) through its letter reference Unit -06/WHT/RTO-II/Khi/2012-2013/140 dated 10 October 2013 and 241 dated 12 November 2013 accepted Foundation's justifications for all the line items of non/short deduction of withholding tax mentioned in previous notice except for the withholding tax on construction work on Head office building of Rs 77.55 million with the corresponding withholding tax amount of Rs. 4.65 million and construction work on other buildings of Rs. 359.65 million with the corresponding withholding tax amount of Rs. 21.58 million, aggregating the total short fall of withholding tax to Rs. 19.71 million (net of withholding tax deducted on the above construction work amounting to Rs. 6.52 million). Further default surcharge, under section 205 of Income Tax Ordinance 2001, amounting to Rs. 3.55 million was also levied by OIR making a total demand of Rs 23.26 million. The Foundation through its Tax Counsel has filed an appeal to Commissioner Inland Revenue to withdraw the said demand and has submitted all the supports and evidences against the said notice. The Foundation based on the advice of their tax counsel is confident of a favourable outcome of the appeal.

Commitments

Commitment in respect of capital expenditure amounts to Rs. 177.82 million (2013: Rs. 145.41 million).

17. DONATIONS

2014 2013
(Rupees in '000)

Donations received during the year	17.1	1,148,648	954,811
Amortised - donations related to assets	13	103,983	75,161
Amortised - donations related to school support, grants and children education	14	389,257	288,204
		<u>1,641,888</u>	<u>1,318,176</u>

- 17.1 This includes Zakat spent during the year amounting to Rs. 284.82 million (2013: Rs. 172.92 million).

18. INCOME ON INVESTMENTS

Income from:

- term finance certificates		830	3,866
- term deposit receipts		14,330	7,122
- treasury bills		46,207	43,462
- Pakistan Investment Bonds		7,378	-
Profit on bank accounts		12,982	6,594
Exchange gain - net		3,498	11,984
Dividend Income		25,139	20,888
Capital gain on disposal of investments		30,524	3,475
		<u>140,888</u>	<u>97,391</u>

Transferred during the year to:

Support donation	18.1	(39,104)	(11,121)
Endowment Fund		(7,051)	(5,812)
Sustainability Fund		(21,801)	-
		<u>(67,956)</u>	<u>(16,933)</u>

Income on investments - net		<u>72,932</u>	<u>80,458</u>
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- 18.1 This represents income on investments representing endowment fund utilised for support operations and included in donations in note 17.

19. SUBSIDIES TO TCF SCHOOLS

Individual items of receipts and expenditure pertaining to schools are not incorporated in these financial statements. However, net deficit of schools is reimbursed by the Foundation and is shown as "Subsidies to TCF Schools".

20. DEPRECIATION

Depreciation has been allocated as follows:

Education Programme	285,678	241,535
Programme Administration	15,036	12,712
	<u>300,714</u>	<u>254,247</u>

21. OTHER SCHOOL EXPENSES

	2014	2013
	(Rupees in '000)	
Schools - medical & general insurance	17,409	11,307
Ceremony functions and awards	8,983	7,430
Freight charges - furniture & equipments	3,479	3,888
Consultancy expenses	1,590	3,173
Student activities	4,309	4,276
Other school expenses	3,849	3,342
	<u>39,619</u>	<u>33,416</u>

22. SALARIES AND OTHER BENEFITS**22.1 Remuneration of Chief Executive Officer and Executives**

	Chief Executive Officer		Executives	
	2014	2013	2014	2013
	(Rupees in '000)			
Remuneration	<u>7,680</u>	<u>6,773</u>	<u>53,696</u>	<u>40,321</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>60</u>	<u>49</u>

22.2 The Chief Executive Officer, Vice Presidents, General Managers and HODs are provided with free use of Foundation maintained car in accordance with the prescribed limits.

22.3 Staff Summary

	2014	2013
Management and Faculty staff as on 30 June	<u>8,133</u>	<u>6,863</u>
Management and Faculty staff - average for the year	<u>7,126</u>	<u>6,219</u>

23. OTHER EXPENSES

	(Rupees in '000)	
Office expenses	1,847	1,540
Repairs and maintenance	3,210	2,582
Amortization of intangible asset	1,111	937
Bank charges	1,217	842
Professional charges	2,629	1,751
Advertisement	212	754
Insurance	722	696
Auditors' remuneration	300	194
Fee and subscriptions	419	542
	<u>11,667</u>	<u>9,838</u>

24. CASH GENERATED FROM OPERATIONS

Deficit of income over expenditure	(43,612)	(18,234)
Adjustments for non cash charges and other items:		
Depreciation	300,714	254,247
Capital gain on disposal of investments	(30,524)	(3,475)
Amortization of intangible asset	1,111	937
Amortization of deferred income	(493,240)	(363,365)
Income on investments	(68,745)	(54,450)
Gain on sale of fixed assets	(47,245)	(35,538)
Working capital changes	63,152	18,176
	<u>(318,389)</u>	<u>(201,702)</u>

24.1 Working capital changes

2014 **2013**
(Rupees in '000)

(Increase) in current assets

Advances, deposits and prepayments	(1,809)	(7,438)
Accrued income and other receivables	5,731	(6,709)
	3,922	(14,147)

Increase in current liabilities

Accrued expenses and other liabilities	59,230	32,323
	63,152	18,176

25. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common directors and key management personnel. Details of transactions with related parties other than those disclosed else where in the financial statements are as follows:

25.1 Donation received from related parties

Arshad Shahid Abdulla (Private) Limited, in which Mr. Shahid Abdulla (Director of the Foundation) is also a director, has donated Rs. Nil (2013: Rs. 0.50 million) during the year.

Crescent Steel and Allied Products Limited, in which Mr. Ahsan M Saleem (Director of the Foundation) is also a director, has donated Rs. 20.65 million (2013: Rs. 32.25 million) during the year.

Interloop Limited, in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director, has donated Rs. 1.43 million (2013: Rs. 21.29 million) during the year.

Interloop Welfare Trust, in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director, has donated Rs. 17.92 million (2013: Rs. Nil) during the year.

Multinet Pakistan (Private) Limited, in which Mr. Adnan Asdar (Director of the Foundation) is also a director, has donated Rs. 0.10 million (2013: Rs. 0.33 million) during the year.

Searle Pakistan (Private) Limited, in which Mr. Adnan Asdar and Mr. Rashid Abdulla (Directors of the Foundation) are also directors, has donated Rs. 5.30 million (2013: Rs. 4.05 million) during the year.

Tarseel (Private) Limited, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 0.10 million (2013: Rs. 0.10 million) during the year.

Transpak (Private) Limited, in which Mr. Mushtaq K Chhapra (Chairman of the Foundation) is also a director, has donated Rs. 0.01 million (2013: Rs. 0.02 million) during the year.

25.2 Donations from Directors

2014 **2013**
(Rupees in '000)

Ahsan M Saleem	7,412	5,150
Musadaq Zulqarnain	-	17
Mushtaq K Chhapra	-	75
Nilofer Saeed	52	194
Rashid Abdulla	200	214
Shahid Abdulla	-	200

25.3 Key management remuneration / compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation. The Foundation considers Chief Executive Officer, Chief Financial Officer, Vice Presidents and General Manager Operations as its key management personnel. The remuneration/compensation paid or payable to key management for employee service amounts to Rs. 17.74 million (2013: Rs. 15.05 million) during the year. Key management personnel also donated to the Foundation from their salaries an amount of Rs. 0.02 million (2013: Rs. 0.375 million) during the year. There are no transactions with the key management personnel other than under their terms of employments entitlements.

26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Foundation has overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Board is also responsible for developing and monitoring the Foundation's risk management policies.

The Foundation's activities expose it to a variety of financial risks such as:

- Market risk
- Credit risk and
- Liquidity risk

26.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Foundation's income or the value of its holdings of financial instruments.

The Foundation manages market risk by monitoring exposure in marketable securities by following the investments guidelines approved by the Executive Committee (EC) and Board of Directors (BOD). The Investment Committee is responsible for making investment decisions.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign supporter or volunteer. At reporting date, the Foundation hold foreign currency bank accounts including Term Deposit Receipts maintained with financial institutions, amounting to Rs. 541.72 million (2013: Rs. 416.99 million) in aggregate that exposes the Foundation to currency risk.

The currencies in which these bank accounts are denominated are Euro (EUR) Pound Sterling (GBP), United States Dollar (USD), Swiss Franc (CHF), United Arab Emirates Dirham (AED).

The following exchange rates were applied during the year:

	<u>Average rate</u>		<u>Reporting date Spot rate</u>	
	2014	2013	2014	2013
EUR to PKR	138.9	126.24	134.46	128.85
GBP to PKR	168.4	152.48	167.79	150.57
USD to PKR	101.6	97.03	98.55	98.60
CHF to PKR	113.8	103.73	110.59	104.49
AED to PKR	27.7	26.42	26.83	26.85

Sensitivity Analysis

The sensitivity analysis is not necessarily an indication of the effect on surplus of income over expenditure for the year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date the interest rate profile of the Foundation's significant interest bearing financial instruments were as follows:

	Effective interest rate		Carrying amount	
	2014	2013	2014	2013
Financial assets	(in Percent)		(Rupees in '000)	
<i>Fixed rate instruments</i>				
Term Finance Certificates	-	-	-	-
Pakistan Investment Bonds	11.84-12.08	-	457,992	-
<i>Variable rate instruments</i>				
Term Finance Certificates	11.84	10.65-11.23	1,663	20,224

Fair value sensitivity analysis for fixed rate instruments

The Foundation does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, any change in interest rates at the reporting date would not affect income and expenditure account.

Other price risk

Other price risk includes equity price risks which is the risk of changes in the fair value of equity securities as a result of changes in the value of individual certificates of Closed End Fund and shares of quoted companies. The equity price risk exposure arises from investments in equity securities held by the Foundation for which prices in the future are uncertain.

26.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfil their obligations resulting in financial loss to the Foundation. The credit risk of the Foundation mainly arises from its investments in debt securities representing failure of the investee companies in repayment of principal and / or the interest due on such investments. The Foundation is also exposed to counterparty credit risk on bank balances, investment in units of open end mutual fund, long term deposits, accrued income and other receivable balances.

Credit risk management

The Foundation assesses all counterparties for credit risk before contracting with them. It is the Foundation policy to enter into financial contracts with reputable and credit-worthy counterparties. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Foundation uses brokers with high credit-worthiness and the transactions are settled or paid for only upon delivery.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2014 (Rupees in '000)	2013
Long term investments	712,832	225,789
Long term deposits	9,457	8,811
Accrued income and other receivables	26,629	7,768
Short term investments	1,231,308	1,044,323
Bank balances	101,204	77,861
	2,081,430	1,364,552

None of the above financial assets were considered to be past due or impaired in 2014.

Investment in debt securities

At reporting date the Foundation has invested in term finance certificates, Pakistan investment bonds, units of open and closed end mutual funds, term deposit receipts and treasury bills. The Foundation manages credit risk arising from term finance certificates and term deposit receipt by making investments in financial institutions or counter party having sound credit rating. With respect to units of open end mutual funds the management manages credit risk by investing in Funds having good performance record.

The analysis below summarises the credit quality of the Foundation's investment in Term Finance Certificates.

Debt Securities (term finance certificates) by rating category issued by JCR-VIS Credit Rating Co. Ltd

	2014	2013
AA	100%	25%
AA-	-	50%
A+	-	25%

The management believes that investment in treasury bills and Pakistan Investment Bonds does not expose the Foundation to credit risk as the counterparty to the instrument is Government of Pakistan.

Bank balances

The Foundation kept surplus liquidity with banks having credit rating from A- to AAA. The rating of the banks is monitored by the management.

Long term deposits

The Foundation has deposited various amounts as security to suppliers against provisioning of different services. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective suppliers.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

26.3 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Foundation's reputation.

The following are the contractual maturities of the non interest bearing financial liabilities:

2014						
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	After five years
Financial liabilities	-----Rupees in '000) -----					
Accrued and other liabilities	<u>240,117</u>	<u>240,117</u>	<u>47,166</u>	<u>192,951</u>	<u>-</u>	<u>-</u>
2013						
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	After five years
Financial liabilities	----- (Rupees in '000) -----					
Accrued and other liabilities	<u>180,887</u>	<u>180,887</u>	<u>48,109</u>	<u>132,778</u>	<u>-</u>	<u>-</u>

26.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Foundation measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs.

Investments in certificates of closed end funds and units of open end funds are measured using quoted prices in stock exchange redemption amount of units of open end fund, hence, fair value of such investments fall within Level 1 in fair value hierarchy mentioned above.

26.5 Fund management

The Foundation is funded by contributions received from its members and donors from different sections of society within and outside Pakistan.

The Foundation is a company limited by guarantee having no share capital and is not exposed to any externally imposed capital requirements.

27. RE-CLASSIFICATION

Following re-classifications have been made in these financial statements in order to give better and more appropriate presentation:

	From	To	2014 (Rupees in '000)	2013
Accrued Income on Treasury Bills	Accrued Income and Other Receivable	Short Term Investments	12,503	3,287

28. DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 12 August 2014.



Chief Executive Officer



Director

Code of Business Conduct & Ethical Principles

To ensure a successful and positive environment in our workspace, a code of conduct has been put in place where the following activities can result in disciplinary action:

- Consistent lack of punctuality
- Giving illegal/unreasonable direction to others
- Unjustified/unauthorized absenteeism
- Using influence or external pressure for promotion, transfer or induction
- Unsatisfactory/negligent performance
- Conduct that violates decency and morality
- Smoking at non-designated areas
- Theft of the properties/assets of Company
- Breaking of safety regulations
- Habitual resting/sleeping in office timings
- Breach of privacy and/or trust
- Bullying/intimidation/uncalled for behaviour/mental and gender harassment
- Discrimination on basis of caste, creed, religion & gender
- Misusing confidential information/record
- Falsification of records
- Undue patronage/nepotism (favouritism)
- Offering/accepting bribes and gifts
- Using office timings and/or resources for personal use
- Intentional damage to company property
- Mishandling/misusing company resources and property
- Reporting on duty drugged or intoxicated
- Activities bringing disrepute to company
- Inappropriate public comment and/or rumour mongering
- Use or possession of arms and explosives
- Insubordination/failure to obey legitimate instruction

Report of Audit Committee

The Audit Committee comprises only of Non-Executive Directors. Details of the Directors are set out in the Profile of the Board of Directors section in this report. The Chief Executive (CEO), the Chief Financial Officer (CFO), the Internal Auditor and the External Auditor attend Audit Committee meetings by invitation. The Committee meets with the Internal Auditor and the External Auditor with and without CEO and CFO being present. The Committee performs its functions in accordance with the TOR as approved by the Board of Directors. The Committee reviewed the following key items during the current financial year.

Composition and Attendance

Name of Members	Status	Meetings Held	Meetings Attended
Ar. Ateed Riaz	Chairman, Non-Executive Director	4	4
Mr. Musadaq Zulqarnain	Non-Executive Director	4	3
Mr. S. M. Ehtishamullah	Non-Executive Member	4	3
Ms. Nilofer Saeed	Non-Executive Director	4	1
Mr. Ishaque Noor	Non-Executive Director	4	0
Mr. Shamshad Nabi	Non-Executive Member	4	3

- Four meetings of the Audit Committee were held during FY 2013-14 and presided by the Chairman.
- The Audit Committee reviewed and approved the Quarterly, Half Yearly and Annual Financial Statements of the Foundation and recommended them for approval of the Board.

- Appropriate accounting policies have been consistently applied. All cores and other applicable International Accounting Standards were followed in preparation of financial statements of the Foundation on an ongoing concern basis, for the financial year ended 30 June 2014, which present fairly the state of affairs, results of operations, cash flows and change in funds & reserves of the Foundation.
- The CEO and the CFO have reviewed the Financial Statements of the Foundation and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the Foundation's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of the internal control system of the Foundation.
- Proper and adequate accounting records have been maintained by the Foundation in accordance with the Companies Ordinance, 1984 and the external reporting is consistent with management processes.
- No cases of complaints regarding accounting, internal accounting controls or audit matters, were received by the Committee.
- The Foundation's system of internal control is sound in design and has been continuously evaluated for effectiveness and adequacy.

Internal Audit

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board. Schools in North and North West Regions have been outsourced to an audit firm Avais Hyder Liaquat Nauman - AHLN (Chartered Accountants).
- The Foundation's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievements of operational, compliance and financial reporting objectives and safeguarding of the assets of the Foundation through effective financial, operational and compliance controls and risk management at all levels within Foundation.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient Internal Audit acumen.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Foundation's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Audit

- The statutory Auditors of the Foundation, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have completed their audit assignments of the "Foundation's Financial Statements", for the financial year ended 30 June 2014 and shall retire on the conclusion of the 18th Annual General Meeting.
- The Audit Committee has reviewed and discussed audit observations.
- The Audit Firm has been given a satisfactory rating under the Quality Control Review Programme of the ICAP and the firm is fully compliant with the IFAC Guidelines on Code of Ethics, as adopted by the ICAP.
- Being eligible for re-appointment as Auditors of the Foundation, the Audit Committee recommends reappointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants for the financial year ending 30 June 2015.

Whistle Blowing Policy

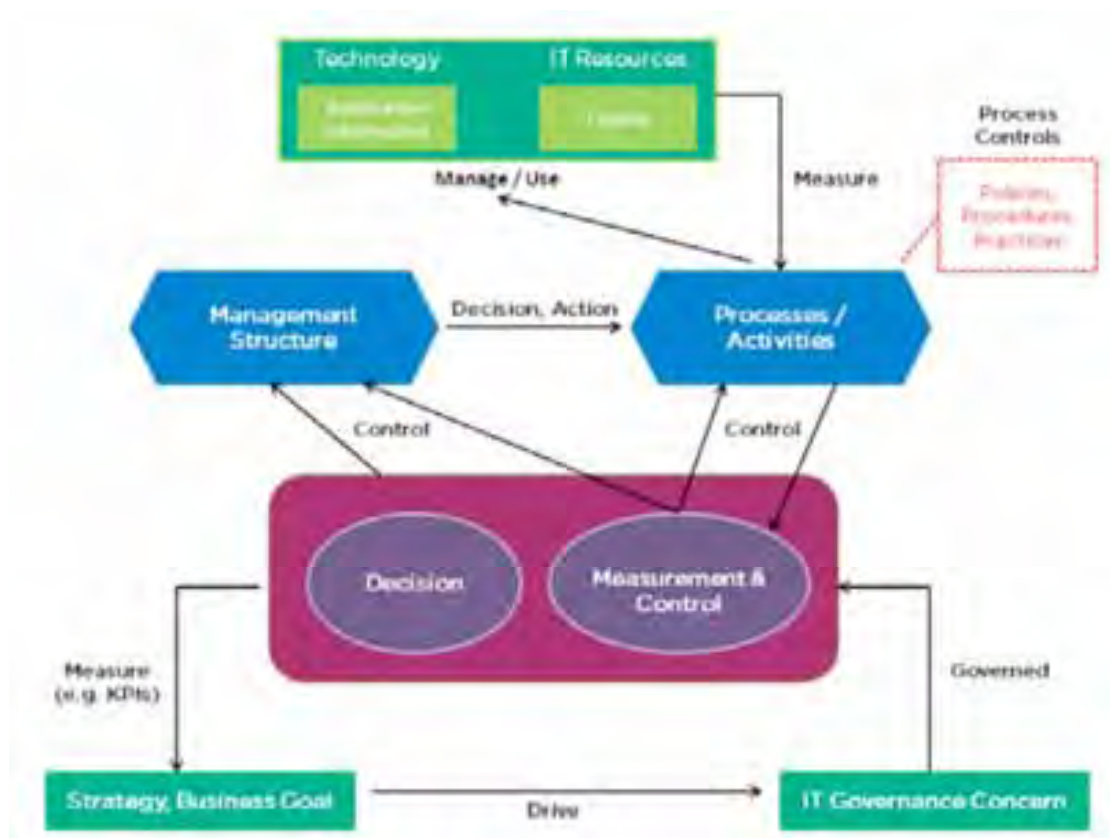
TCF has implemented its first ever Whistle Blowing Policy with effect from 01 July 2014 in order to ensure that all employees adhere to ethical guidelines laid out in the Foundation's Code of Conduct. This policy has laid out procedures for lodging and handing of concerns, reporting requirements whilst also ensuring the identity protection of whistle blowers. Monitoring of the effectiveness and compliance of the Whistle Blowing Programme is to be carried out by the Audit Committee.

Operational Continuity Planning & Safety Procedures for Data Protection

As part of its efforts to ensure Operations continuity, an action plan has been formulated with the aim of preventing breakdown of the Foundation's operations or restoring them in as little time as possible if interrupted due to some unexpected event or natural disaster. TCF has formulated detailed Standard Operation Procedures (SOPs) for backup of important Foundation's assets including virtual data. By centralizing all major business processes using Enterprise Resource Planning software i.e. Microsoft Dynamics Great Plains (MDGP), the Foundation has developed a well organized IT backup plan. In order to ensure safety and round-the-clock availability of data, TCF has implemented Systems, Applications and Network Infrastructure at different locations simultaneously. TCF has ensured that all critical data and information remains intact at all times to ensure operational continuity by effective backup plan and periodical testing.

IT Governance Policy

TCF has an IT Governance policy that outlines the chain of responsibility, authority and communication across the Foundation.



Mechanism for Providing Information to the Board and Managing Conflicts of Interest

Formal Reporting Line

There are four regions of the Foundation, each of which is headed by a Regional Manager (RM). The RMs are responsible for the performance of their respective Regions and the General Manager Operation at Head Office (HO) has access to RMs for any required information pertaining to the respective region for the purpose of supervision and monitoring. Further information regarding any matter of concern or recommendation is put forward by the CEO to the respective committees of the Board.

Employees

We believe in a culture of openness and freedom of expression. We do this by providing several forums for employees to bring their valuable suggestions and feedback to the management and the Board. TCF has provided a server based Improvement Opportunity System (IOS) accessible to all employees allowing them to share their feedback, concerns and recommendations directly with the CEO and Head of Departments.

Donors

The Foundation has provided contact details and all other Donor related information on its website www.tcf.org.pk

Managing Conflict of Interest

As per the provisions of the Companies Ordinance, 1984, every Director is required to provide the Board with complete details regarding any material transaction which may bring a conflict of interest with the company for prior approval of the Board. The interested Director(s) do not participate in the discussion nor do they vote on such matters.

The transactions with all the related parties are made on an arms-length basis and complete details are provided to the Board for their approval. Furthermore, all transactions with the related parties are fully disclosed in the financial statements of the Foundation.

Quality Control Measures

The Monitoring and Evaluation Team reinforces accountability, transparency and organizational learning of all stakeholders through systematic evaluation of policies, programmes and processes. To assess the quality of students learning the team has developed a systematic centralized assessment system. TCF Monitoring and Evaluation Team conduct two centralized exams - Mid Term and Final Term in an academic year. Students' results are entered into MIS for report generation and future planning.

Risk & Mitigation Plan

Risk	Mitigation Plan
Internal Controls	A robust internal control system is in place that is continuously monitored by the Foundation's Internal Audit Function and through other monitoring procedures.
Reputation Management	Protect Foundation's brand assets and ensure the provision of high quality services. Establish strong internal controls and reinforce the code of conduct for the management and staff.
Employee recruitment and retention	Strong emphasis on the Foundation's Human Resource and its skill set. We operate the best talent management and human resource instruments to attract, retain, motivate, educate and nurture personnel and staff.
Investment Risk	Diversified investment policy and active management of its portfolio to match the required risk profiles.
Currency risk	Close monitoring of currency markets
Cost and availability of funds	Diversified sources of funds.

SWOT Analysis

Internal Factors	Strengths <ul style="list-style-type: none"> • Organization's mission, vision & Values • TCF Brand/ Model • Accountability and Transparency • Professional Management • Committed Donors • Global recognition • MIS applications 	Weaknesses <ul style="list-style-type: none"> • Inadequate sustainability fund • Attrition rate • Succession planning • Communication
External Factors	Opportunities <ul style="list-style-type: none"> • Sizeable growth in Endowment Fund • Penetration in Global Markets • Funds available from donor agencies (Grants and Alliances) • Optimum utilization of Print and Electronic Media. • Enhance focus on Zakat campaign 	Threats <ul style="list-style-type: none"> • Law and order situation • Stability of economy • Inflation • Competition with other NGOs (Existing and New Entrants) • Restriction to enter in trading and commercial activities • Foreign contributions bill 2014 • Withdrawal of tax exemptions

Stakeholders Relations & Procedures Adopted for their Engagement

The Foundation recognizes and respects the rights of each and every stakeholder including shareholders, employees, financial institutions, creditors, business partners, local communities and others. The Foundation is also cognizant of its legal and constructive obligations towards its stakeholders and takes their input into consideration.

Regulators

TCF continually engages with GoP and regulatory bodies at local, provincial and federal levels on various education related matters and issues.

Media

TCF engages with media through press briefings and press releases as required.

Other Stakeholders

Other stakeholders include donors, bankers, suppliers and employees. TCF engages with these stakeholders on a regular basis through meetings and other various correspondences.

Website

The Foundation's website www.tcf.org.pk offers more information about The Citizens Foundation and all its operations.

Definition and Glossary of Terms

Abbreviation	Description	Abbreviation	Description
AFS	Available For Sale	IAS	International Accounting Standards
Board	Board of Directors	ICAP	Institute of Chartered Accountants of Pakistan
CDC	Central Depository Company of Pakistan	ICMAP	Institute of Cost and Management Accountants of Pakistan
CEO	Chief Executive Officer	IFAC	International Federation of Accountants
CFO	Chief Financial Officer	IFRIC	International Financial Reporting Interpretation Committee
CCG	Code of Corporate Governance	IFRS	International Financial Reporting Standards
ERP	Enterprise Resource Planning	IT	Information Technology
FBR	Federal Board of Revenue	KIBOR	Karachi Interbank Offer Rate
GoP	Government of Pakistan	NBV	Net Book Value
HFT	Held for Trading	NRV	Net Realizable Value
HRRC	Human Resource and Remuneration Committee	SECP	Securities and Exchange Commission of Pakistan
HR	Human Resource	SR	Social Responsibility
HSE	Health, Safety and Environment	TCF	The Citizens Foundation
HTM	Held to Maturity	TFC	Term Finance Certificate



A group of young girls in school uniforms are playing a game in a schoolyard. They are holding hands and standing in a circle. In the background, there is a stone wall and a sign with Urdu text. A red metal railing is in the foreground.

JOIN TCF TEAM



TCF Contact Information

You can reach The Citizens Foundation in Pakistan and abroad through the contact details mentioned here. If you wish to email any of these representatives in Pakistan, please write to info@tcf.org.pk

Pakistan

Head Office

Contact Person: Neelam Habib

Address: Plot No. 20, Sector 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi.

Postal Code: 74900

Telephone: +92-21-35113445-59

Website: www.tcf.org.pk

Fax: +92-21-35113460

Regional Offices

Lahore

Contact Person: Ahsan Kazmi

Address: 58, C/III, Gulberg III, Lahore.

Telephone: +92-42-111-823-823

Islamabad

Contact Person: Syed Nayab Shah

Address: Regional Office (NW) Service road Gangal West, Fazayia Colony (P.O Fazayia), Rawalpindi.

Telephone: +92-51-4578228 (Regional Manager)

+92-51-4578229 (Staff)

Pakistan Chapters

STCF Karachi

Contact Person: Bushra Afzal

Address: Plot No. 20, Sector 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi.

Telephone: +92-21-35113445-59

STCF Lahore

Contact Person: Shahid Jalal

Address: 122 - C, Model Town, Lahore.

Telephone: +92-42-111-823-823

STCF Islamabad

Contact Person: Asma Khan

Address: House No.3, Street 5, F-6/3, Islamabad.

Telephone: +92-51-2279862

Contact Person: Samina Aziz

Address: House No. 14-B, Street 62, F-7/4, Islamabad.

Telephone: +92-51-227-3873

STCF Faisalabad

Contact Person: Nageen Faiq

Telephone: +92-333-6638008

Fax +92-41-8714438

International Chapters

Australia

Contact Person: Danial Mausooof

Telephone: +61-2-94025476

Contact Person: Meesha Mausooof

Telephone: +61-2-94025476

Contact Person: Saima Ahmed

Telephone: +61-4-20723259

Contact Person: Sanam Thariani

Telephone: +61-4-23331665

Email: info@tcfaustralia.org

Website: www.tcfaustralia.org

Abu Dhabi

Contact Person: Shahab Haider

Telephone: +971-4-3681096 / +971-4-2222126

Fax: +971-4-3681097

United Kingdom

Contact Person: Shazia Syed

Address: The Citizens Foundation (UK), 10 Margaret Street, London W1W 8RL.

Telephone: +44 (0) 20 3585 3011 / 12

Email: shazia.syed@tcf-uk.org

Website: www.tcf-uk.org

Italy

Contact Person: Gretchen Romig Crosti

Address: Corso di Porta Nuova 38, Milan, Italy 20121.

Telephone: +39 335 813 4309

Email: info@italianfriends-tcf.org

Website: www.italianfriends-tcf.org

United States of America

Contact Person: Uneza Akhtar

Telephone/Fax: +1-224-636-2858

Contact Person: Danial Noorani

Address: The Citizens Foundation USA , 2425 Touhy Avenue, Elk Grove Village, IL 60007, USA.

Telephone: +1-312-543-3917

Email: contact@tcfusa.org

Website: www.tcfusa.org

Dubai

Contact Person: Komal Shakil

Address: Office No. 118, Building No. 4, International Humanitarian City, Dubai Industrial City Headquarters, Dubai, UAE

Postal Code: 506007

Telephone: +971-56-1150030 / +971-4-3681096

Fax: +971-4-3681097

Email: komal.shakil@tcfuae.org

Bahrain

Contact Person: Ali Mirza

Address: Villa 39, Building 221, Miami Park, Avenue 35, Al Janabiah 571, Bahrain.

Telephone: +973-39-955182

Email: alimirza5@msn.com

Canada

Contact Person: Aziz Rakla

Address: The Citizens Foundation, Canada, 1877 Featherston Drive Mississauga, ON L5L 2T2.

Telephone: +888-467-2-552

Fax: +905-6073666

Email: tcfc@hot.com / tcf@tcfcanada.org

Website: www.tcfcanada.org



How You Can Help TCF

Educate-a-Child

Educate a child for 1 month	PKR 1,000
Educate a child for 1 year	PKR 12,000
KG-Matriculation	PKR 132,000

Adopt-a-School (Primary/Secondary)

Operational cost for one year	PKR 1,750,000
Operational cost for three years	PKR 5,250,000

Build-a-School (Primary/Secondary)

Build Cost	PKR 15,000,000
Three year support cost	PKR 5,700,000
Total Cost	PKR 20,700,000

Endowment Fund

Create a General Endowment	PKR 1 million and above
Lifetime Support for a child	PKR 180,000
Lifetime Support for a school	PKR 18 million

Alumni Support Programme*

Support a student for intermediate	PKR 17,000
Support a student for higher education	PKR 600,000 - 800,000

(Support for professional education can be paid in annual installments, which would amount between 150,000 - 200,000)

*This support is subject to case on case basis. For further details please contact the Alumni Department.

Please Note:

- For cost efficiency, secondary schools are built as dual units. However donors can build or support a single unit.
- Costs are for build cycle of 2014-15. Rates may vary for different locations and are subject to revision based on cement and steel prices. These are average construction costs.
- Each Build-a-School Project can be taken up only with the provision of school support for a minimum of three years. (included in above, Build-a-School cost).
- All constructions in earthquake zones will take into account costs for special earthquake resistant architecture.

You can Donate via:

Cash Deposit

Cash donations can be made at 'The Citizens Foundation'. Or you can give us a call, and have the donation collected from your doorstep (only in Karachi).

Online

You can now make a real-time online donation via TCF website, www.tcf.org.pk, through Visa or Master Debit/Credit Card. Log on to TCF website for more information regarding donations.

Bank Deposit

Make your contribution in any one of the banks mentioned on TCF website. Kindly ensure the correct account number is used.

Courier

Make your cheques and drafts payable to 'The Citizens Foundation' and send via courier/postal service to The Citizens Foundation Head Office: Plot No. 20, Sector 14, Korangi Industrial Area, Karachi, Pakistan.



Asia's Nobel Prize,
honouring *greatness of spirit*
and transformative leadership
in Asia

Ramon Magsaysay Award - 2014

The Citizens Foundation was announced as one of the winners of the Ramon Magsaysay Award 2014, commonly identified as Asia's Nobel Prize. The Ramon Magsaysay Award Foundation (RMAF) was established in 1957 to propagate former Philippine President Ramon Magsaysay's example of integrity in government, courageous service to the people, and pragmatic idealism within a democratic society. The award had not been received by Pakistan since 2004. Philanthropy veterans like Abdul Sattar Edhi, and Adeeb Rizvi have received this award in the past, but this is the very first time a Pakistani organization has been given this honour.

TCF was announced as one of the recipients of the award along with 5 other individuals from Afghanistan, China, Philippines, and Indonesia. The RMAF announced its winners on July 31 through a press release calling the awardees, 'Asia's Beacon of Progress'. The release about TCF said, "The social vision and high-level professionalism of its founders and those who run its schools, in successfully pursuing their conviction that, with sustained civic responsiveness, quality education made available to all - irrespective of religion, gender, or economic status is the key to Pakistan's brighter future."

This year's winners were formally conferred the award by Benigno "NoyNoy" Aquino III, President of the Philippines during a presentation held on August 31, 2014 at the Cultural Centre of the Philippines in Manila.

TCF Accolades



3-Times Winner!

TCF prides at having been honored thrice with the **24th**, **25th** and the **29th** Corporate Excellence Award in the Non Profit Social Services Organization Sector by the Management Association of Pakistan (MAP).



2014

3-year Top Ranking Certification from Pakistan Centre for Philanthropy (PCP)

SAFA Award Winner - Award for Best Presented Accounts & Corporate Governance in NGO Category - 2012

Ramon Magsaysay Award



2013

Skoll Award for Social Entrepreneurship

MAP - 29th Corporate Excellence Award

ICAP/ICMAP - Best Corporate Report Award for Annual Report 2012



2012

MAP Certificate of Excellence



2011

TCF invited as Clinton Global Initiative (CGI) member

SAFA Award- Certificate of Merit



2010

3-year Top Ranking Certification from Pakistan Centre for Philanthropy (PCP)

WISE (World Innovation Summit for Education) Awards

SAFA Award- Certificate of Merit

JCR-VIS Non-Profit Organizations Governance Rating GR-8+



2009

MAP - 25th Corporate Excellence Award

SAFA Award- Certificate of Merit



2008

SAFA Award - 2nd Runner Up (Joint)

MAP - 24th Corporate Excellence Award



2007

3-year Top Ranking Certification from Pakistan Centre for Philanthropy (PCP)

SAFA Award - Runner Up



2006

SAFA Award- Runner Up Award

JCR-VIS Non-Profit Organizations Governance Rating GR-8

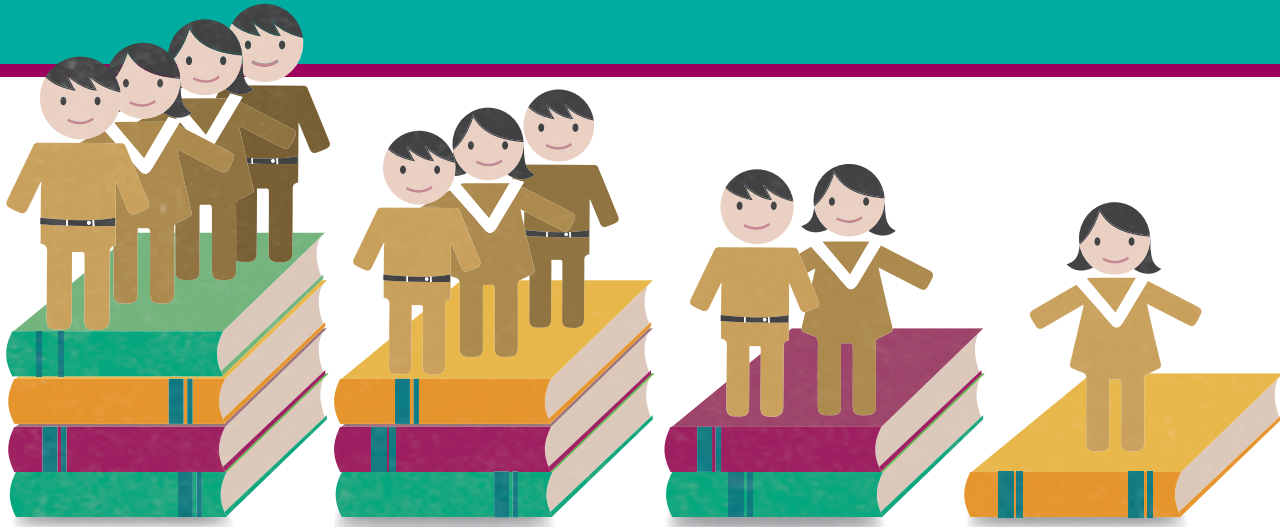


2004

3-Year Top ranking by Pakistan Centre for Philanthropy (PCP)

**Based on the year in which the award was received*

TCF at a Glance

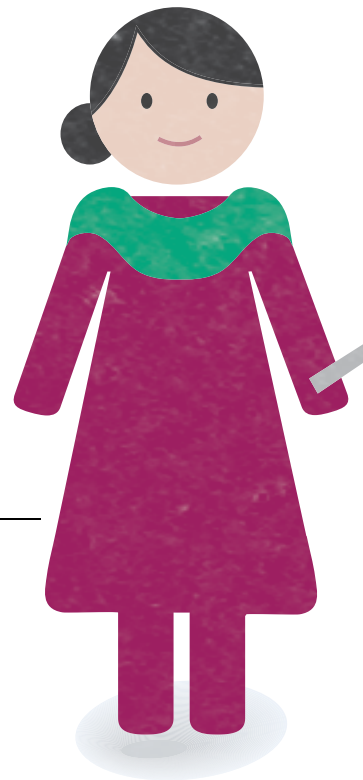


PROVIDING QUALITY EDUCATION WITH THE ENROLMENT OF

145,000 STUDENTS

7,700

FULLY-TRAINED FEMALE FACULTY

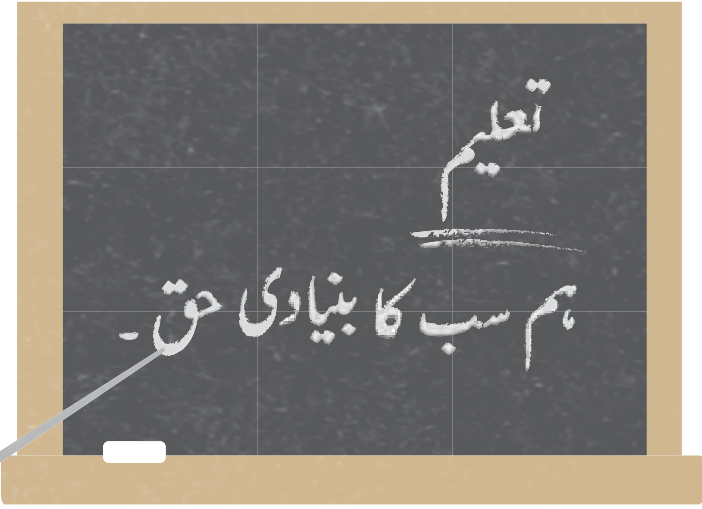


1000
100+

SCHOOL UNITS ACROSS

TOWNS AND CITIES OF PAKISTAN

629 TCF STUDENTS
RECEIVED SCHOLARSHIPS TO PURSUE
THEIR TERTIARY EDUCATION (TO-DATE)



AROUND 28,000
SUCCESSFUL AAGAHİ* LEARNERS
(TO-DATE)



**Aagahi is an Adult Literacy Programme
for women hailing from urban and rural slums around
TCF Schools.*



THE CITIZENS FOUNDATION

NOTICE OF 18TH ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given to all the members of **The Citizens Foundation** that **18th Annual General Meeting** of the Foundation will be held on **Wednesday September 17, 2014 at 1:45 p.m.** at TCF Registered office, Plot No 20, Sector 14, Korangi Industrial Area, Karachi-74900 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Foundation for the year ended 30 June 2014 together with auditors' report thereon.
2. To adopt the Directors' Report and Chief Executive's Review for the year ended 30 June 2014.
3. To appoint Company Auditors for the next Financial Year ending on 30 June 2015 and fix their remuneration. M/s. KPMG Taseer Hadi & Co. Chartered Accountants, retired and being eligible, offer themselves for reappointment.

By order of the Board.

Khwaja Bakhtiar Ahmed
Company Secretary - TCF

Date: 26 August 2014
Place: Karachi



A new leaf. A new commitment.
A symbol of hope and promise
for all the tomorrows.

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TCF Marketing Department

Dreams pass into the reality of action. From the actions stems the dream again; and this interdependence produces the highest form of living.

- Anais Nin



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